Information to inform Compost and AD Resource Frameworks: Storage of material prior to dispatch

20th August 2025

1. Introduction

The Compost and Anaerobic Digestion (AD) Resource Frameworks set out the point at which compost and digestate are deemed to have ceased being waste. Section 3.1 currently states that "you will no longer have to follow waste management controls when you dispatch the products to the end user."

This wording creates challenges for operators who supply compost or digestate through intermediaries or supply chains, or who need to store material temporarily on non-permitted areas. Replacing "end user" with "customer" would help address supply chain concerns, but unresolved issues remain around storage.

While a regulatory position statement may provide some relief, many operators cannot realistically apply for additional storage permits – due to reasons set out below. We gathered views from industry over the course of two weeks (07/08/25 – 20/08/2025). This paper summarises industry feedback, outlines potential impacts, and proposes a more proportionate, enforceable solution.

2. Sites potentially impacted

We have contacted members and asked for feedback on the sites who will be impacted. Given the short time-frame, we have been unable to gather a fully comprehensive picture of the impacts on industry, however member feedback indicates significant volumes of compost and digestate are routinely stored pending use.

Compost facilities affected by change in point at which compost is no longer waste:

Number of sites	Total tonnage	Typical length of storage
25	Approx 116,500 tonnes at any one time	3-6 months but often less, occasionally more depending on weather.

AD facilities affected by change in point at which digestate is no longer waste:

Number of sites	Total tonnage	Typical length of storage
15	170,000t	9-12 months

3. Our Position and Ask

We support the principle that compost and digestate should only be stored where there is a realistic prospect of use. Operators who breach this duty should face enforcement action. However:

- Imposing blanket permitting and infrastructure requirements is disproportionate.
- Costs and delays will undermine well-run operations.
- Market confidence could be damaged if materials are reclassified as waste until point of use.

We therefore ask for:

1. Adoption of the term **"customer"** aligned with definition in PAS100 and extended to digestate.

2. No requirement for compost or digestate temporarily stored to be classed as 'waste' and be stored on a permitted area until dispatch.

   We propose that if an operator can demonstrate there is market demand for their product, then storage as a product should be allowed. If the EA are concerned about how storage is managed, then the Resource Frameworks could include a requirement for a Product Management Plan rather than new infrastructure and permits. More details can be below on each of these conditions. We would like a discussion with the EA and REAL to work out a pragmatic and auditable solution.

Demonstrating market demand

One of the conditions in the Waste Framework Directive, article 6, para1 is that to demonstrate end of waste, 'a market or demand exists for such a substance or object'. Material does not need to be dispatched in order to demonstrate market or demand. There are other ways operators could demonstrate this, including: previous product sales records (e.g. how much of the same product the producer sold in the most recent 12 months), contracts with compost/digestate buyers, orders from compost/digestate buyers that have not yet reached 'product dispatched' stage, negotiations in progress towards such orders, established market.

Product Management Plan (PMP)

A requirement for a PMP, incorporated into site Standard Operating Procedures offers proportionate controls while maintaining enforceability. It would require operators to:

- Keep compost and digestate traceable and stored under suitable conditions.
- Apply a time limit (e.g. X months), after which material is reclassified as waste and reprocessed/disposed of.
- Maintain storage and dispatch records, consistent with practice in other manufacturing sectors.

This approach strikes a fairer balance between environmental protection and commercial practicality, while supporting enforcement where necessary.

4. Evidence from members on storage

Feedback from operators demonstrates that storage is a normal and necessary part of compost and digestate management. Common points raised include:

- **Supply chain logistics:** Compost and digestate often move through supply chains, not directly to end users. Storage may take place at farms or intermediary sites with no additional environmental risk. Material is often dispatched to farms for interim storage before use. This allows products to be available when needed and avoids bottlenecks at production sites.
- **Seasonality of demand:** Several operators noted that compost and digestate must be stored until weather and crop conditions are suitable for application or to meet the demand of customers, e.g. supplying to the growing media sector. For example, one operator highlighted the need to empty sites of tonnage during winter, with storage used to bridge the gap until spring spreading. Storage gives operational flexibility to allow spreading at optimal times. On-farm digestate storage reduces transport needs and enables use at the right time for crops, soil conditions, and regulatory compliance (e.g. Farming Rules for Water) and reduces risk of inappropriate land application. Another example is when farmers have finished harvest or if they are waiting for a dry day, they will come to collect compost but usually all at once, with 3 or 4 tractors on turnaround. This is because the available time window between harvest and other farm requirements is limited and uncertain due to weather.
- **Resilience:** Storage ensures certainty of use while avoiding unnecessary costs due to greater material accumulation on primary sites, increasing operational hazards and logistical pressures. Where on-site storage is restricted, large volumes accumulate, reducing operational space and increasing fire risk.
- **Permit variation costs:** Extending permit boundaries requires significant investment in impermeable surfaces and drainage infrastructure, which is unaffordable for many sites, see section 5.
- **Limited environmental risk:** Several members stressed that permitted feedstocks are tightly controlled, reducing the risk of contamination from stored material.
- **Market acceptability:** Changing what was a product into a 'waste' until it is used will undermine the market confidence in compost and digestate. One member reported that it's taken years to build up good demand for digestate from a site and changing the status to 'waste' will be off-putting for farmers.

Taken together, these examples show that requiring formal permitting for all storage sites would impose disproportionate costs and operational burdens without improving environmental outcomes.

5. Challenges with permitting

Nearly all operators who responded to our call for feedback expressed significant concerns about the challenges associated with prospective requirements to hold permits for land used for temporary storage. Points raised included:

- **Secondary Risks:** Increasing the size of permitted areas would capture more surface water, which must then be collected, treated, or disposed of. This introduces risks of overflow and adds new transport, processing, and compliance costs, creating an additional environmental burden rather than reducing one.
- **Timescales:** Both planning permission and environmental permit applications are lengthy and resource-intensive. The EA permitting team already struggles with current demand, while planning processes often draw negative attention to sites working hard to maintain community confidence.
- **Costs:** Infrastructure improvements have become prohibitively expensive, particularly with the introduction of Best Available Techniques (BAT) and other requirements. Typical up-front costs before any construction (consultancy, assessments, applications, fees) are estimated at £30k–£40k, with additional infrastructure construction costs exceeding £120 per m² of concrete. These figures make compliance unaffordable for many operators and offer little proportional benefit.
- **Limited Value:** The required investment delivers no operational or efficiency gains. It does not improve processing, reduce fuel use, or meaningfully increase safety or environmental outcomes when weighed against the costs. It does not improve the quality of the final product and provides no increase in revenue. Given the pace of change in the agricultural and waste sectors and the government's strong focus on land use, having permanent structures may pose problems in future.
- **Disruption & Inflation:** Works would disrupt day-to-day operations, and immediate implementation without phased timescales risks forcing operators into involuntary non-compliance. The financial burden will inevitably be passed down the supply chain, contributing to rising costs for public services and taxpayers with little measurable benefit.

6. Summary

Changing the definition of "end user" to "customer" would better reflect commercial realities and supply chains. More importantly, storage should not automatically trigger disproportionate permitting requirements.

Demonstrating market demand and / or a Product Management Plan offers a fair, practical, and enforceable solution: it safeguards environmental protection, maintains market confidence in compost and digestate, and supports responsible operators without imposing unnecessary costs delays, and disruption — striking a fairer balance between regulatory oversight and commercial practicality.

We urge the Environment Agency to adopt this proportionate approach, ensuring that regulation supports rather than undermines sustainable resource recovery.