

# Proposed Changes to Minnesota's Cottage Food Law

## (Cottage Food Licensing Exemption 28A.152)

### What is the Cottage Food Licensing Exemption?

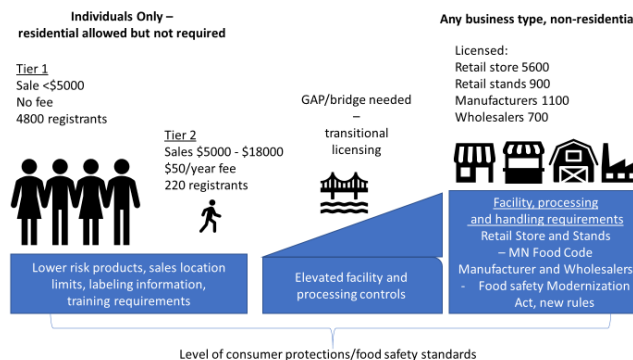
- The sale of food in Minnesota requires license. The Cottage Food Law (established in 2015) **allows for individuals in Minnesota to make and sell non-potentially hazardous foods and canned goods** (pickles, jams, baked goods, etc.) **without a license**. You are limited to \$18,000 in food sales per calendar year and must sell directly to the consumer. If you make other food products, have greater sales, want to sell to other customers, or are a different business entity, you need a Food Handler License.

### Key points about the Cottage Food Exemption

- The Cottage Food Exemption is a success.
- There are two types of registrations:
  - Tier 1 / Free = for producers reporting sales of less than \$5,000 per year
  - Tier 2 / \$50 fee = for producers reporting sales of more than \$5,001-\$18,000 per year
- 4,882 producers registered in 2020 and the majority - **4,600** - were Tier 1, reporting sales of \$5,000 or less.

### What are the opportunities/challenges in expanding the Exemption to include businesses?

- About 200 individuals in Tier 2 have reached the \$18,000 sales limit, prompting discussions to expand the exemption.
- In carrying out our statutory responsibilities, it is the MDA's mission to ensure BOTH:
  - the integrity of our food supply – safety and dependability so the consumer can make informed decisions
  - the strength and resilience of our agricultural economy – producers and the industry can grow and meet needs of the community
- There is currently a challenging gap between requirements for home producing under the exemption and requirements for a food facility needing a license.
- The MDA supports establishing “**transitional licensing**” that would bridge the gap between those producers who qualify for the Cottage Food Exemption and those whose operations require a Food Handler License.
- The MDA wants to work with farmers and other small business stakeholders to identify reasonable food safety requirements to support the move towards meeting full licensing standards.



State	Minnesota	Wisconsin	Iowa	South Dakota	North Dakota
License exemption for home prepared food sales?	Yes (Individual)	Yes (person)	Yes (person)	Yes (person)	Yes (individual)
Product conditions	- Non-PHF food; - Canned pickles, vegetables, or fruits with pH ≤ 4.6	- Non-PHF bakery; - Canned pickles, vegetables, or fruit with pH ≤ 4.6	- Non-TCS food;  - TCS bakery items require home-bakery license, \$50	- Non-TCS bakery; - Canned fruit jams and jellies, foods with pH ≤ 4.6 or water activity ≤ 0.85	- Non-TCS bakery; - Jams and jellies; - Canned high-acid or acidified food; - TCS bakery, fruits and vegetables; - Exempt poultry products
Sales cap	≤\$18,000 gross receipts per year	- Bakery: none - Canned food: <\$5,000 per year	- Non-TCS: none - Home bakery: ≤\$35,000 per year	None	None
Registration	Annual - \$50 fee for sales >\$5,000	Not required	Not required	Not required	Not required
Oversight	Not required	Not required	Not required  TCS bakery – home bakery rules and inspection	Canning recipes approved by 3 <sup>rd</sup> party processing authority; Sauces – pH and water activity evaluated by SDSU Extension	Not required  Cottage food rules
Production facility and location	Residential and non-residential kitchens; canned products in MN	Home kitchens in WI	Residential and non-residential kitchens	Residential and non-residential kitchens	In a kitchen designed and intended for use by residents in a private home
Distribution and conditions	Direct to consumer from residence, at farmers' market or community event; internet sales with direct delivery (no resale)	Direct to consumer from residence, at farmers' market or community / social event (no resale)	Direct to consumer from premises of a residence or farmers' market (no resale)  Home bakery – direct to consumer and resale	Direct to consumer from primary residence or farmers' market, temporary stands / venues (no resale)	Direct to consumer from residence farm, ranch, at farmers' market, farm stand (no resale)
Labeling conditions	Producer name and address, date made, ingredients, allergens	Canned food - name and address of person making product, date made, ingredients, allergens	Common name of food, name and address of person making product, ingredients	Name of product, name, address, phone number of producer, where produced, date made, ingredients	TCS products - statement that product was maintained frozen, safe handling instructions
Consumer advisory	- POS: placard products not subject to state inspection - Product: none	- POS: placard canned goods not subject to state inspection - Canned product: statement not subject to state inspection	None Meet standard of identity	- POS: none - Product: disclaimer product home-processed in a kitchen that may also process common food allergens	- POS: placard product made in a kitchen not inspected; - Must inform consumer food not labeled, licensed, or inspected, etc.
Producer training	≤ \$5,000 sales: 4-hours on-line > \$5,000 sales: up to 8-hours, renewed every 3 years (UMN)	Not required	Not required	Not required	Not required

PHF – Potentially Hazardous Food; TCS – Time/Temperature Control for Safety. Both are based on product pH and/or water activity.