Cottage Food Production in Minnesota: Arguments for Expanding Access and Potential Risks

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Summary of Findings:
- Cottage foods are those foods produced in a home (non-commercial) kitchen for sale to others.
- Minnesota (MN) currently restricts cottage food sales to those defined as ‘not potentially hazardous’ and certain home-processed and canned products; each producer may sell up to $5000 worth of each of these two food categories through sales at farmers’ markets or community events, but no direct sales from home are allowed.
- Current MN statute does not require home kitchen facilities to be inspected, and those preparing foods are not required to seek licensure or permits for their business. There are no labeling requirements for ingredients or allergens to be listed.
- Stakeholder groups such as farmers’ market vendors and rural development groups are interested in a policy change that expands sales to include a higher income cap and to allow sales direct from the home.
- Expanding cottage foods sales may warrant additional state regulation to protect public health, especially in terms of labeling that lists ingredients and potential allergens.

What are the potential health risks of cottage foods?
Cottage foods are those foods produced in home (non-commercial) kitchens that are then sold to others. Products approved to be sold under the cottage foods exemption in MN have been deemed not potentially hazardous; thus risks of bacterial contamination and toxin formation should be low. However, there is still a risk of contamination by infectious agents (like norovirus) during food preparation and a risk of causing allergic reactions as a result of specific ingredients.

Risk of contamination can be reduced by good hygiene practices by all food preparers and maintenance of a sanitary kitchen environment. Both food preparers and consumers may be unaware of the risk for potential serious allergic reactions to specific food ingredients. While commercially prepared foods require lists of ingredients and potential allergens on all food labels, cottage food labels in MN require only the name/address of vendor plus date produced and a batch identifier for canned products.

Current regulations in MN
Sales of cottage foods are regulated in Minnesota Statute 28A.15, subdivisions 9 (not potentially hazardous foods) and 10 (home-processed or home-canned foods). These regulations limit cottage food vendors to the sale of foods that are less likely to cause food-borne illness, such as baked goods, candies, pickles, and jams. Generally, products that do not require refrigeration or that meet pH and water activity level specifications can be classified as ‘not potentially hazardous.’ Current statute requires vendors to post a placard at the point of sale stating that the cottage foods are not subject to state inspection.
How do some other states regulate cottage foods?

<table>
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<tr>
<th></th>
<th>MN</th>
<th>WA</th>
<th>CA</th>
<th>MI</th>
<th>WI</th>
</tr>
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<tbody>
<tr>
<td>Requires license or permit</td>
<td>No</td>
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<tr>
<td>Gross annual income limit on sales</td>
<td>$5,000</td>
<td>$15,000</td>
<td>$50,000</td>
<td>$20,000</td>
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<tr>
<td>Requires ingredients/allergens on label</td>
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<tr>
<td>Requires “homemade and not subject to inspection” on label</td>
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<td>Requires food safety course or certification</td>
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<td>Has list of not potentially hazardous foods</td>
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<td>Direct sales allowed from home or internet</td>
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<td>Inspection of food prep site</td>
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<td>Yes</td>
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</table>

What are the arguments for expanding access to cottage foods?

Multiple stakeholder groups in MN are seeking to expand cottage food sales through more direct-to-consumer sales (including sales direct from the home) in order to meet a perceived year-round demand for products currently only available at seasonal farmers’ markets. Interested stakeholders include farmers who also sell value-added products, vendors who only sell cottage foods, and special interest groups (e.g. fundraising groups, community organizations). Others who may benefit from proposed expansion of sales from the home include individuals selling specialty products (e.g. wedding cakes, ethnic/specialty foods) and people looking for supplemental income while working from home (e.g. parents, caretakers, retired persons).

Proponents of cottage food businesses suggest that such businesses can provide jobs and income for the local and state economy. They point out that cottage food businesses allow entrepreneurs to gauge consumer interest in a product before investing in the financial overhead of a commercial kitchen or storefront. They also argue that locally produced goods appear more environmentally friendly (lower costs for transport and shipping), create community loyalty, and fill niche markets for products. Some proponents of increasing cottage food sales assert that additional regulations may stymie innovation and economic growth.

Policy options for MN if the current law is changed to increase the sales of cottage foods

Little research exists on the food safety risks or economic impact associated with cottage foods. No studies were found describing the implications of cottage food regulations, therefore identification of policy options is informed by scientific understating of potential hazards and prevention of their effects.

Greater access to and volume of sales of cottage foods increases the likelihood that a foodborne illness or allergic reaction will occur in consumers. Several options exist to help mitigate the additional risk, all of which would require modification or additions to state regulations, inspections, and compliance activities. All policy options would need to be applied to both Minnesota Statute 28A.15 subdivision 9 (not potentially hazardous foods) and subdivision 10 (home-processed foods). Other requirements may include:

- Inspection of home kitchens and licensing of cottage food producers
- Food safety or hygiene training for those selling cottage foods
- Vendor education on food allergen contamination
- Labels that list all ingredients and potential allergens
- Provision of a pre-determined list of allowed ‘not potentially hazardous’ foods