

COTTAGE FOODS BUSINESS - BASICS, NEXT STEPS AND BEYOND

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MISSION AND VISION

MISSION

The mission of the Prevention and Health Promotion Administration is to protect, promote and improve the health and well-being of all Marylanders and their families through provision of public health leadership and through community-based public health efforts in partnership with local health departments, providers, community based organizations, and public and private sector agencies, giving special attention to at-risk and vulnerable populations.

VISION

The Prevention and Health Promotion Administration envisions a future in which all Marylanders and their families enjoy optimal health and well-being.

DEPARTMENT OF HEALTH

Overview

- Provide a general overview of the cottage food regulations
- Discuss when and how to submit a request to the Maryland Department of Health
- Discuss the next steps when a Cottage Food Business has exceeded cottage food regulations - Where do I go next?
- Review how to use the cottage food decision tools with examples of foods
- Review resources
- Questions and Answers



The Basics



Cottage Food Business

- Home-based business (residential kitchen) where certain allowable foods can be produced or packaged, stored, and sold (this would include samples)
- Annual revenues not exceeding \$50,000* (*Effective October 1, 2022)
- Must comply with local laws and ordinances
- Allow local health department access for complaint or foodborne illness investigations
- Not licensed and the home kitchen is not inspected except for complaints

Cottage Food Business - Sales

Basics

- Intrastate sales only
- Internet sales, public events, farmer's markets, etc.
- Shipping is permitted as long as the product remains in Maryland
- Direct to consumer sales, except for sales to a retail food store
- Next Step
 - All of the above, AND
 - Sales to a retail food store "Sold at Retail"



Cottage Food Products

- Allowable non-potentially hazardous foods
- Foods with a water activity of 0.85 or less
- Foods with a pH level of 4.6 or below when measured at 75°F



What is it?

Allowable Food Products

- Non-potentially hazardous baked goods
- Hot filled high-acid fruit jams, jellies, preserves, and butters made only with fruits that have a natural pH of 4.6 pH or less
- Hard candy



What is it?

Allowable Food Products











What is it?

Allowable Food Products

Appendix A

Cottage Food Businesses - Allowable Foods

What types of foods are allowed to be produced for sale by a cottage food business?

Baked goods (non-perishable):

- Bagels
- Biscuits
- Breads
- Brownies
- Cakes without perishable icing or fillings
- Cookies
- Cupcakes without perishable icing or fillings
- Granola bars
- Muffins
- Pastries
- Tortillas
- Buns without perishable icing
- Cookies, brownies, breads, muffins baked from a commercially prepared mix (without perishable icings or fillings)
- · Sourdough bread, rolls, etc.

Candies (Non-perishable):

- Brittles
- Freeze dried non-potentially hazardous commercial candies
- Gummy bears
- Lollipops

Fruit products - fruit leathers, pies, turnovers, hot-filled jams, jellies, preserves, and fruit butters from fruits with a natural

Apples

pH of 4.6 or below:

- Apricots
- Blackberries
- Blueberries
- Boysenberries
- Cherries
- Cranberries
- Grapes
- Nectarines
- Oranges
- Peaches
- Prunes
- Quince
- Raspberries
- Red currants
- Strawberries
- Tangerines
- Another fruit with a natural pH of 4.6 or below

LINK:

https://health.maryland.gov/phpa/OEHFP/OFPC HS/Pages/CottageFoods.aspx



Non-Allowable Foods

 Potentially hazardous foods - require refrigeration

- Acidified foods
- Beverages

 Foods linked to outbreaks







Non-Allowable Food Products

Appendix B

Cottage Food Businesses - Foods Not Allowed

Examples of what types of foods are NOT allowed to be produced for sale by a cottage food business

Acidified or pickled products:

- Corn relish
- Pepper jelly
- Pickled beets
- Pumpkin butter
- Salsa
- Other acidified or pickled products not listed above

Baked goods (perishable):

- Baked goods with perishable icings and fillings (e.g. buttercream, cream cheese, and royal icings)*
- Banana, pumpkin, and zucchini breads/cakes/muffins, etc. with water activity value greater than 0.85*
- Cheesecakes
- Cream and custard pies
- Focaccia style breads with vegetables and/or cheeses
- Macarons
- Meringue cookies
- Meringue pies
- Pumpkin pies
- Sweet potato pies

Condiments or sauces:

- Barbecues sauce
- Hot sauce
- Ketchup
- Mustard
- Condiments or sauces not listed above

Fermented foods:

- Kimchi
- Kombucha
- Pickles
- Sauerkraut
- Other fermented foods not listed above

Fish or shellfish products - none of any kind

Freeze Dried Products - none of any kind except for non-potentially hazardous commercially prepared candy

LINK:

https://health.maryland.gov/phpa/OEHFP/OFPCHS/Documents/MDH %20Cottage%20Food%20Businesses Revised 9-2022 FINAL.pdf



Common Cottage Food Requests

- Freeze dried and dehydrated food products
- Honey
- Pet Treats

NOTES -

Honey (raw unprocessed, unflavored), supplied directly from the farm on which it was produced, is considered a raw agricultural product and <u>NOT</u> a cottage food product. For information on labeling honey, visit the U.S. Food & Drug Administration (FDA) website here.

Maryland's cottage food laws and regulations are for <u>human-grade food only</u>. For information related to manufacturing pet food and pet treats, contact the Maryland Department of Agriculture State Chemist Section. Click <u>here</u> for more information.



May Be Allowable - Testing Option

- Our office accepts test results for icings, moist quick breads, and alcohol content testing only.
 - Icings include: Buttercreams, icings made with potentially hazardous ingredients (butter, milk, etc.), royal icing made with shell eggs, etc.
 - A moist quick bread is a bread product that is made with a fruit that has a natural pH above 4.6 such as banana, pumpkin, and zucchini breads.
 - Jams, jellies, icings, and baked goods that contain alcohol, not incorporated prior to baking.

NOTE: No other test results will be accepted or reviewed.



Testing continued

 Certified Food Laboratory testing is at the cost of the cottage food business

Cost widely ranges

 Certified Food Laboratory - not required to be located in Maryland



Test Results

- Your laboratory results must be submitted for review through the Maryland Department of Health <u>Cottage Food Business</u> <u>Request Form</u> if your business is requesting to sell to a retail food store, or if the business is requesting a unique identification number.
- If you are not submitting via the Maryland Department of Health online portal and you have questions about your lab results, contact the local health department.
- **Note:** It is important to keep a copy of your test results at any event you are participating in, in case you are asked for it by the local health department.



Icings

- Buttercreams and other icings made with potentially hazardous ingredients (butter, milk, etc.) - not allowed unless tested by a certified food lab and results prove to be non-potentially hazardous.
- Royal icings made with meringue powder allowed with testing
 - If made with shell eggs not allowed



Label Requirements

- Primary means to allow customers to make informed decisions about food selections and food ingredients
- Especially important for allergen notification
- Allows for product traceability



Sample Label

- Common name of food
- Name and address of business
- Ingredients (with sub-ingredients)
- Major food allergens
- Weight
- Required statement (10 point font)

Label with or without a Unique Identification Number issued by the Department

Chocolate Chip Cookies with Walnuts
Your Business Name Here
Your Street Address (may substitute with Unique ID#)
Your City, MD Zip (may substitute with Unique ID#)
Your Phone Number (if using only Unique ID#, you must provide)

Ingredients: Enriched flour (wheat flour, niacin, reduced iron, thiamine, mononitrate, riboflavin and folic acid), butter (milk, salt), semi-sweet chocolate chips (sugar, chocolate, cocoa butter, milkfat, soy lecithin, natural flavors) walnuts, sugar, eggs, salt, artificial vanilla extract (water, caramel color, vanillin, citric acid, and sodium benzoate as preservatives, ethyl vanillin and artificial flavor), sodium bicarbonate.

Contains: Wheat, eggs, milk, soy, walnuts

Net Wt. 3 oz. / 85 grams

"Made by a cottage food business that is not subject to Maryland's food safety regulations."

^{*}The address may be substituted with a unique identification number if one has been issued to the cottage food business by the Department. The cottage food business' phone number must be included.



Labeling Guide and Fillable Template



Maryland Cottage Food Business Labeling Guide Revised March 2022

Allowable foods produced under the cottage foods regulation (Code of Maryland Regulations 10,15,03,27) must be prepackaged at the cottage food business and labeled with the following

- The name and address* of the cottage food business;
- . The name of the cottage food product:
- The ingredients (and sub-ingredients) of the cottage food product in descending order the amount of each ingredient by weight;
- The net weight, count, or net volume of the cottage food product;
- Allergen information as specified by federal labeling requirements;
- Nutritional information as specified by federal labeling requirements, if any health or nutritional information claim is made; and
- Printed in 10 point or larger type in a color that provides a clear contrast to the background of the label: "Made by a cottage food business that is not subject to Maryland's food safety regulations."
- For cottage food products sold at retail stores, labels must additionally include:
 - The phone number and e-mail address of the cottage food business; and
 - The date the product was made.

* Unique identification number - A cottage food business may request from the Maryland Department of Health a unique identification number (ID#) to use on the label as an alternative a business address. If a unique ID# is used, the label must additionally include the name and pumber of the cottage food business. To obtain a unique ID#, the business must submit a request to the Maryland Department of Health via the Cottage Food Business Request Form.



Fillable Sample Cottage Food Labels: Label with or without a Unique identification Number issued by the Department Rusiness Name: Address (may substitute with Unique (D#): City, MD Zip (may substitute with Unique ID#): Phone Number (if using only Unique ID#, you must provide): ingredients and Sub-ingredients: Enntains (Must include all major allergens): Net volume, weight or quantity of product: "Made by a cottage food business that is not subject to Maryland's food safety regulations." The address may be substituted with a unique identification number if one has been issued to the cottage fixed business by the Department. The cottage fixed business' phone number must be included. Label for food sold to a retail food store Product Name: Street Address (may substitute with Unique ID#): Erty, MD Zip (may substitute with Unique ID#); Phone Number: Elmail address: Ingredients and Sub-Ingredients: Contains (Must include all major allergers): Net volume, weight or quantity of product: Date product made: "Made by a cottage food business that is not subject to Maryland's food safety regulations."

^{*} Your phone number, e-mail address and date made are mandatory for sales in a Netail Food Stare.



Label Examples:





Label Examples:

Chocolate Chip Cookies with Sea Salt

Ingredients: Enriched flour (bleached wheat flour, Niacin, Iron, Thiamine Mononitrate, Riboflavin, Enzymes, Folic Acid), butter (cream, salt), semi sweet chocolate chips (sugar, chocolate, cocoa butter, milkfat, soy lecithin, natural flavors), milk chocolate chips (sugar, unsweetened chocolate, whole milk powder, cocoa butter, soy lecithin, vanilla extract), brown sugar, sugar, eggs, sour cream (cultured cream), pure vanilla (vanilla bean extractives in water, alcohol 35%), sodium bicarbonate, sea salt.

Contains: wheat, eggs, milk, soy

Quantity: 2 Count Date Product Made: 9/6/22

"Made by a cottage food business that is not subject to Maryland's food safety regulations."



Recap

You said we don't need a license!?!?!?

- There is no cottage food license in Maryland
- The items that are offered must be allowable, sold directly to consumer, properly labeled, and prepared and sold only in Maryland
- No action contacting LHD or MDH is not required



Poll Questions - Basics

- 1. I need a license to sell cottage food products in the State of Maryland. **True or False**
- I do not need to put a label on my cottage food products because they are "just baked goods".
 True or False
- 3. I need to let my local health department or MDH know that I am going to be selling cottage foods.

 True or False
- 4. I need approval from the Department of Health to sell pet treats. **True or False**



Submission and Review Process

Next Steps



MDH Requests - Next Steps

- Two options as a cottage food business:
 - Unique ID Number You can request a unique identification number. This ID number is used in place of your home address. It is assigned after a limited review of your business information (name, products being sold, etc.). It is not an approval of any kind nor registration or a license.
 - Retail Sales An avenue provided to cottage food businesses that provides an opportunity for products to be sold in a "retail food store" after a labeling review and approval



Unique ID (Identification) Number



Cottage Food Business Request

Requests for ID numbers and sales to retail food stores

1 Requests 2 Business 3 Products

This form is to be used by cottage food business owners wishing to sell their products to a retail food store and/or request a unique identification number to be used in lieu of the business's address pursuant to <u>House</u>
Bill 1017 (Ch. 405 of the Acts of 2020). "Public Health - Cottage Food Product Labels - Identification Number."

Be advised that information submitted to this office as part of a cottage food business request is subject to release under the provisions of the <u>Maryland Public Information Act</u>. This includes all addresses and phone numbers provided to this office.

Please complete the questions below - all fields are required. You will be notified by the Department once your documents have been reviewed or if there are any questions or issues with your submission. Once you submit your documents you will be given a confirmation number, this is NOT your unique identification number.

By submitting your request you are not guaranteed approval for sales to retail food stores or an identification number. Please allow up to twelve (12) weeks for processing.

Date Review Began **Date Completed**

I would like to: (select only one)*

Request a unique ID number for my cottage food product labels

Sell my cottage food products to a retail food store

Make a selection to:

- Obtain a Unique ID Number
- Option to select both obtain a Unique ID
 Number and sell
 products to a retail food
 store



Unique ID (Identification) Number

Review includes

- Product review allowable foods
- Review cottage food business website
- Verify that address is residential



Cottage Foods Sold at Retail



Make a selection to:

- Sell products to a retail food store
- Both obtain a Unique ID Number and sell products to a retail food store



Sales to a Retail Food Store

Retail Food Store Definition 10.15.03.02B

(68-1) "Retail Food Store"

- (A) "Retail Food Store" means a licensed food service facility that sells prepackaged food items either fresh, refrigerated, frozen, or shelf-stable.
- (B) "Retail Food Store" includes a grocery store, convenience store, retail market, retail bakery, or a food cooperative.
- (C) "Retail Food Store" does not include a restaurant, mobile food service facility, coffee shop, cafeteria, short order café, luncheonette, tavern, sandwich shop, produce stand that only offers whole, uncut fresh fruits and vegetables, or an establishment that offers only pre-packaged non-potentially hazardous foods.



Retail Food Store Examples

Approvable:

- Grocery Stores
- Convenience Stores
- Prepackaged food sales - licensed by a local health department
- On-Farm Market licensed by a local health department

Not Approvable:

- Restaurants
- Coffee shops
- Boutique Clothing Stores
- Consignment Stores
- Farm Stands



Required Items for MDH Review:

List of foods

- Copy of labels (including email address, phone number, date made, etc.)
- Documentation of successful completion of a basic food safety (food handler) course approved by the Department. The course must be certified by the American National Standards Institute (ANSI).

Review Process

- List of foods in submission, website and social media info (optional). All foods must be non-PHF.
- Label requirements business name, address, phone number, email, date made, required cottage food statement, weight, etc.
- Ingredient and sub-ingredient list
- Certification for food safety course
- Retail food store qualifying facility



Review Process

Email response from MDH to cottage food business after review:

- Comment letter requiring correction of non-compliant issues, e.g. selling across state lines, selling potentially hazardous food or that more information is needed
- Compliance letter stating business has met the requirements of the law to sell to a retail food store



Getting it Right

- Review MDH website, Guidelines for Cottage Food Businesses, Checklist for Retail Food Store Sales, FAQs
- Verify label components
- Include all required submission items
 - All labels
 - Food safety course certification
- Call or email MDH if you have questions about comment letter or submission requirements



Poll Questions - Next Steps

- 1. My unique identification number is an MDH license. **True or False**
- 2. I own a farm stand, I can sell products from other cottage food businesses from my stand. **True or False**
- 3. I must submit a request to MDH before I sell my cottage food products to a retail food store. **True or False**
- 4. Clothing boutiques, restaurants, coffee shops and cafes are considered retail food stores. **True or**False

Beyond Cottage Foods



When do I need a food license?

- Annual sales more than \$50,000
- Selling non-cottage foods
- Wholesale product beyond retail food stores
- Sales outside the State





What do I need?

Commercial kitchen

- Shared kitchen space incubator kitchen, food hub
- Licensed restaurant or retail kitchen
- Commercial kitchen space individual
- Copacker processed, packaged, labeled by licensed food manufacturer

Note - for On-Farm - certain food items can be produced in the on-farm home kitchen with an MDH license.



What do I need?

Food License

- Retail selling directly to the customer
 - Retail food service facility
 - Local Health Department
- Processing/Wholesale selling to retail stores or businesses
 - Food processing
 - On-Farm
 - Maryland Department of Health



What's next? Licensing Process

Contact health department and other agencies

https://health.maryland.gov/phpa/OEHFP/OFPCHS/Pages/LHD-Food-Contact.aspx

- Health Department Plan Review process
 - review product, recipe, processes
 - review equipment and space
 - comment letter
 - pre-opening inspection
- Licensing



What can I make/sell with a license?

Retail - all foods (including potentially hazardous)
 except acidified and low acid foods

- On-Farm baked goods, high acid jams and jellies, acidified foods; no potentially hazardous foods except cheese and raw meat storage
- MDH Manufacturer/Processing all foods, except meat and poultry (regulated by USDA)

What can I make/sell?

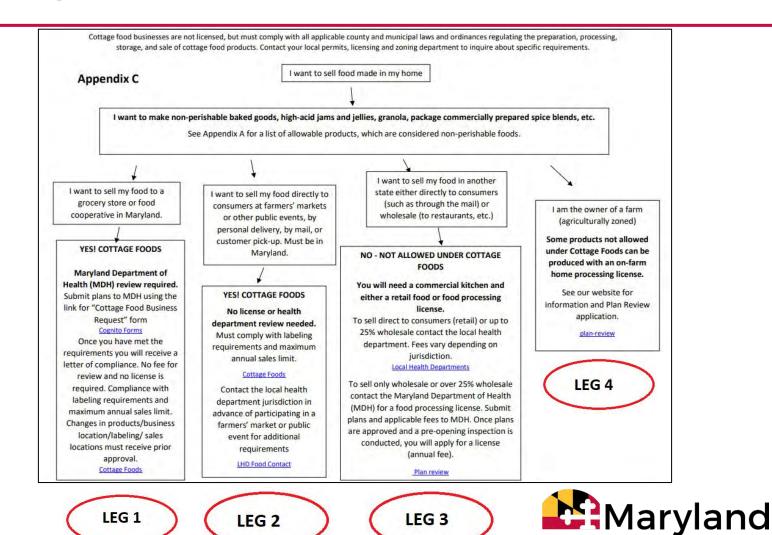
	Cottage Food	Retail FSF	Manufacturer	On-Farm
Baked goods, jams, jellies, non-PH candies	х	х	х	х
Potentially hazardous foods		Х	х	
Sales within MD	х	х	х	х
Interstate sales		х	х	X



Using the Cottage Food Decision Tools



Using the Decision Tools



DEPARTMENT OF HEALTH

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Decision Tool - Leg 1 - CF Next Steps

I want to sell food made in my home

I want to make non-perishable baked goods, high-acid jams and jellies, granola, package commercially prepared spice blends, etc.

See Appendix A for a list of allowable products, which are considered non-perishable foods.

I want to sell my food to a grocery store or food cooperative in Maryland

YES! COTTAGE FOODS.

Maryland Department of Health (MDH) review required. Submit plans to MDH using the link for "Cottage Food Business Request" form. Once you have met the requirements you will receive a letter of compliance. No fee for review and no license is required. Compliance with labeling requirements and maximum annual sales limit. Changes in products/business location/labeling/sales locations must receive prior approval.

Cottage Food Sales at Retail





Decision Tool - Leg 2 - CF Basics

I want to sell food made in my home

1

I want to make non-perishable baked goods, high-acid jams and jellies, granola, package commercially prepared spice blends, etc.

See Appendix A for a list of allowable products, which are considered non-perishable foods.

1

I want to sell my food directly to consumers at farmers' markets or other public events, by personal delivery, by mail, or customer pick-up. MUST BE LOCATED IN MARYLAND



YES! COTTAGE FOODS.

No license or health department review needed. Must comply with labeling requirements and maximum annual sales limit. Cottage Foods Contact the local health department jurisdiction in advance of participating in a farmers' market or public event for additional requirements.

Cottage Food







Decision Tool - Leg 3 - Beyond

I want to sell food made in my home

I want to make non-perishable baked goods, high-acid jams and jellies, granola, package commercially prepared spice blends, etc.

See Appendix A for a list of allowable products, which are considered non-perishable foods.

I want to sell my food in another state either directly to consumers (such as through the mail) or wholesale (to restaurants, etc.).

NO - NOT ALLOWED UNDER COTTAGE FOODS

You will need a commercial kitchen and either a retail food or food processing license. To sell direct to consumers (retail) or up to 25% wholesale contact the local health department. Fees vary depending on jurisdiction. Local Health Departments To sell only wholesale or over 25% wholesale contact the Maryland Department of Health (MDH) for a food processing license. Submit plans and applicable fees to MDH. Once plans are approved and a pre-opening inspection is conducted, you will apply for a license (annual fee).

License Required







Decision Tool - Leg 4 - Beyond

I want to sell food made in my home

 \downarrow

I want to make non-perishable baked goods, high-acid jams and jellies, granola, package commercially prepared spice blends, etc.

See Appendix A for a list of allowable products, which are considered non-perishable foods.



I am the owner of a farm (agriculturally zoned) Some products not allowed under Cottage Foods can be produced with an on-farm home processing license.

See our website for more information regarding Plan Review.

On-Farm License - see also slide 50





Cottage Foods Decision Tool

Cottage food businesses are not licensed, but must comply with all applicable county and municipal laws and ordinances regulating the preparation, processing, storage, and sale of cottage food products. Contact your local permits, licensing and zoning department to inquire about specific requirements. I want to sell food made in my home Appendix D I want to make perishable baked goods (like pumpkin pie), jams/jellies with ingredients that are not acidic (e.g, pepper jelly), products requiring refrigeration, acidified foods, or other food not listed as approved for Cottage Foods. NOT ALLOWED UNDER COTTAGE FOODS - OTHER REGULATIONS APPLY See Appendix B for examples of items not allowed under Cottage Foods. I am NOT the owner of a farm (agriculturally zoned). I am the owner of a farm (agriculturally zoned) A local health department or state license will be Some products not allowed under Cottage Foods can be required. produced with an on-farm home processing license. You will need a facility with a commercial kitchen. Click below for information and Plan Review application. plan-review I want to sell my products directly to consumers via retail sales (this includes internet sales nationwide) OR retail with the ability to sell wholesale to other businesses I want to sell only to other businesses (wholesale) or (wholesale not exceeding 25% of my total sales). more than 25% of my total sales will be wholesale. Food Service Facility License Needed from the Local Health Department Food Processing Plant License Needed from the Maryland Department of Health Contact the local health department for plan review and licensure. Submit plans and applicable fees to this office. Once plans LHD Food Contact are approved and a pre-opening inspection is conducted, Note: The following foods cannot be manufactured under a local health department you will apply for a license (annual fee). license: certain canned foods (i.e. acidified and low acid) such as green beans and MDH plan-review pickled eggs, smoked fish, pasteurized crabmeat, bottled water, or soft drinks.





Decision Tool - NOT Owner of a Farm

I want to sell food made in my home

I want to make perishable baked goods (like pumpkin pie), jams/jellies with ingredients that are not acidic (e.g, pepper jelly), products requiring refrigeration, acidified foods, or other food not listed as approved for Cottage Foods. NOT ALLOWED UNDER COTTAGE FOODS – OTHER REGULATIONS APPLY

See Appendix B for examples of items not allowed under Cottage Foods.

I am <u>NOT</u> the owner of a farm (agriculturally zoned).

A local health department or s

A local health department or state license will be required. You will need a facility with a commercial kitchen.

I want to sell only to other businesses (wholesale) or more than 25% of my total sales will be wholesale.

Food Processing Plant License Needed from the Maryland Department of Health. Submit plans and applicable fees to this office. Once plans are approved and a pre-opening inspection is conducted, you will apply for a license (annual fee).

License - Appendix D



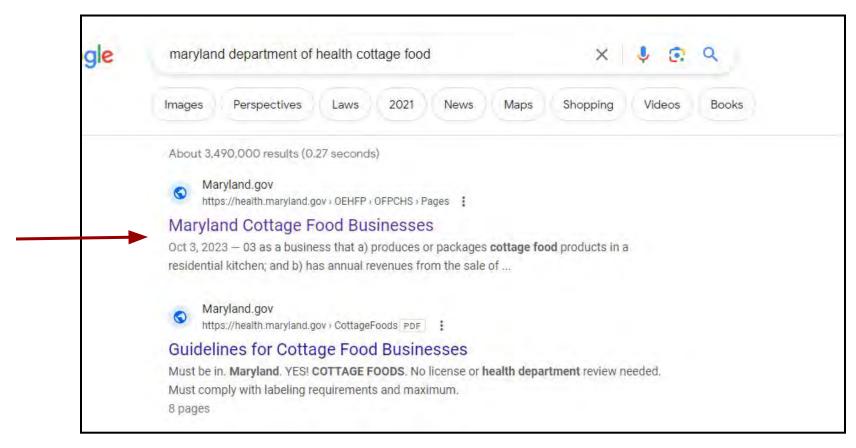


Poll Questions - Beyond

- 1. As a cottage food business, I can make cheesecakes. **True or False**
- 2. I can make and sell pepper jelly with an On-Farm license. **True or False**
- 3. I can sell my cottage foods out of state and I do not need to operate from a commercial kitchen to do that. **True or False**
- 4. To make and sell meals, I need to obtain a license from a local health department. **True or False**



How to Find Us





MDH Cottage Food Website





Resources

MDH Cottage Food Business webpage

https://phpa.health.maryland.gov/OEHFP/OFPCHS/Pages/CottageFoods.aspx

- Guidelines for Cottage Food Businesses (English and Spanish)
- Cottage Food Business Labeling Guide (English and Spanish)
- Cottage Food Business Fillable Label form
- Cottage Foods Sold at Retail intake form
- Cottage Food Business Checklist (sales at retail)
- Frequently Asked Questions (FAQs)

FDA Labeling Guide

https://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm2006828.htm

DEPARTMENT OF HEALTH

Resources - continued

MDH Center for Facility and Process Review webpage https://phpa.health.maryland.gov/OEHFP/OFPCHS/Pages/plan-review.aspx

- Plan Review application
- Guidelines and resources for Retail Prototypical Food Facility (Two or more food facilities built from the same set of plans within the State of MD)
- Guidelines and resources for Processing (Processing Plant, Warehousing, On-Farm, Dairy, Value Added Foods)



Contact

Office of Food Protection Center for Facility and Process Review

Email mdh.foodplanreview@maryland.gov

with "Cottage Foods" in the subject line

*New - 410-767-8444 - Cottage Foods and Retail Foods line.



Presented in partnership with SMADC (Southern Maryland Agricultural Development Commission)







Prevention and Health Promotion Administration

https://phpa.health.Maryland.gov

