

cottage food witness support.pdf

Uploaded by: Courtney Arnone

Position: FAV

Testimony in Support of HB178

For Distinguished Members of the Senate Finance Committee

From Courtney Arnone
Cottage Food Business Operator
Parkville, MD

Subject Written Testimony in Support of HB 178

Distinguished Committee Members, my name is Courtney Arnone, and I am a home baker, operating a Cottage Food Business, and I would like to ask for your support for HB178.

I have just started my cottage food business and have only had one sale so far, so I know my story might be a little different than a lot you might be reading about. When the pandemic started, I got the idea that I wanted to try some of the baking I'd watch on all the baking shows I love and, luckily, I was gifted a stand mixer. I baked all kinds of things while I was stuck at home, lucky beyond all things that I was able to relax and not worry about my living arrangement, as my husband, son, and I live with my parents. I eventually found my way to decorating sugar cookies and I fell in love! I spent holidays baking tons of different kinds of sugar cookies for family and friends and I eventually came around to the idea of possibly making it a business. That led me to Facebook groups, which then led me to Cottage Food businesses. I could do that! I was a little disappointed to find out all the hoops cottage food bakers have to jump through.

Unfortunately, and most importantly, the restrictive annual sales cap for Cottage Food will not allow me to grow my business into something, alone, that can support my family. I will not be able to make enough for it to be the only source of income for myself, let alone thinking about having my husband be part of the business with me.

Maryland's Cottage Food Laws currently limit annual revenue to \$25,000 making Maryland's law more restrictive than thirty-nine other states. This restrictive sales cap is unnecessary because the MD Department of Health has already determined what non-hazardous foods can be safely prepared in a home kitchen.

By supporting HB178 to raise the \$25,000 annual sales cap from Cottage Food Laws, you would be helping to make Maryland a great place to start or grow a small business.

HB178_FAV_MD Food System Resiliency Council.pdf

Uploaded by: Heather Bruskin

Position: FAV

March 29, 2022

**2022 SESSION SUPPORT TESTIMONY
HB0178 Public Health – Cottage Food Businesses – Annual Revenues**

COMMITTEE: Senate Finance Committee

POSITION: Testimony of Support of House Bill 178

BILL ANALYSIS: Increases the cap on annual revenue from the sale of food products sold by “cottage food businesses” to \$50,000.

This letter is submitted by Heather Bruskin, Executive Director of the Montgomery County Food Council (MCFC) and Co-Chair of the Maryland Food System Resiliency Council (FSRC) in SUPPORT of HB0178. This legislation increases the maximum annual revenue of a “Cottage Food Business.” This bill provides a \$25,000 increase in the annual revenue cap from the sale of cottage food products from \$25,000 to \$50,000.

These comments are submitted on behalf of the Council, and do not necessarily represent the views of MCFC or the State of Maryland. The Food System Resiliency Council was established by the Maryland General Assembly during the 2021 legislative session to bring together 33 appointed council members from across the state, all with different points of entry and expertise to work toward a more resilient food system and address the food insecurity crisis due to COVID-19. One of the key mandates of this council was to develop a report by Nov. 1st 2021, detailing equity and sustainability policy recommendations to increase the long-term resiliency of the Maryland food system. The FSRC report represents five months of intensive work and thought leadership on behalf of organizations, such as the state’s main two food banks, all the state’s food councils, leaders in anti-hunger advocacy, emergency food assistance providers, state administrators, emergency responders, food system experts, and universities.

The proposed revenue cap increase in HB0178 aligns with the recommendations in the FSRC report, which details the importance of increasing local food production here in Maryland to build the long-term resilience and sustainability of our local food system. Passing HB0178 will strengthen the sustainability of our local food system by allowing more Cottage Food Business to earn revenue that can offset their costs to produce the cottage food product and allow a sustainable, small-business food production model to thrive in Maryland.

Sincerely,



Heather Bruskin

Co-Chair, Maryland Food System Resiliency Council

Cottage Food Letter March 2022.pdf

Uploaded by: Jannine Hughes

Position: FAV

Testimony in Support of HB178

For Distinguished Members of the Senate Finance Committee

From Jannine Hughes
Cottage Food Business Operator
Frederick, MD

Subject Written Testimony in Support of HB 178

Distinguished Committee Members, my name is Jannine Hughes, and I am a home baker, operating a Cottage Food Business, and I would like to ask for your support for HB178.

My path to becoming a cottage food baker had a slow start. I first started when I was living in NC and did a few orders of cupcakes and decorated sugar cookies. I moved to MD towards the end of 2019 and to supplement my new income, I started advertising my business more. Even when the pandemic hit, I was still taking orders especially around holidays. With the encouragement of my friends, I have been taking on more orders and am planning on expanding to Farmers' Markets and teaching classes.

Unfortunately, the restrictive annual sales cap for Cottage Food will not allow me to grow my business. My dream is to take this full time and quit my 60 hours per week job. With the sales cap as it is, it is really hard to do this in MD with the rising costs of not only ingredients but housing and bills too. In order to go full time, I would need to hire help and I would not be able to do that.

Maryland's Cottage Food Laws currently limit annual revenue to \$25,000 making Maryland's law more restrictive than thirty-nine other states. This restrictive sales cap is unnecessary because the MD Department of Health has already determined what non-hazardous foods can be safely prepared in a home kitchen.

By supporting HB178 to raise the \$25,000 annual sales cap from Cottage Food Laws, you would be helping to make Maryland a great place to start or grow a small business.

Thank you.

HB178-Support-Flynn (2).pdf

Uploaded by: Kathleen Flynn

Position: FAV

Support

Health and Government Operations Committee
House Bill 178 (Chang) Public Health – Cottage Food Businesses – Annual Revenues

Kathleen Flynn
cookiejarkits@gmail.com
March 29, 2022

On behalf of the cottage food businesses across the State of Maryland, I thank you for the opportunity to offer written support on *House Bill 178 (Chang) Public Health – Cottage Food Businesses – Annual Revenues*. This bill will increase the annual sales revenue limit from \$25,000 to \$50,000 and by doing so will additionally increase local food security while allowing cottage food bakers to grow their businesses in a meaningful way.

This past winter in Annapolis at the Anne Arundel County Farmers Market, despite the nearly single digit temperatures, residents flooded the stalls in search of food. While regional grocery stores featured empty shelves and apology signs, cottage food bakers and Maryland producers were hard at work filling the gaps, offering essentials to the community.

As we move further into the pandemic, the shop local movement is continuing to grow. In times like the last few weeks, cottage food vendors have been the most reliable access to food for many residents. Shopping at the town or county farmers market is no longer something limited to your yoga instructor or wellness enthusiast friend. Instead, for many, markets are an introduction and access point to the local food network that they were previously unaware of. A local network that is heavily comprised of farmers and cottage food businesses.

The current structure of Maryland's cottage food business is ideal in many ways. Food items that are produced by cottage food businesses must adhere to strict guidelines that only allow the production of non-hazardous goods and provides additional guidance on how and where items may be sold. However, the annual sales cap of \$25,000 is incredibly uncondusive for small business growth and truly even small business viability. It is not in line with Maryland's small business positive actions in recent years and months, and is not something many other small businesses in our local communities seem to be affected by. While many of us would love to employ others, what type of living wage would we be able to offer to an employee? What type of living wage can we pay ourselves while also trying to save for a commercial kitchen or storefront?

By raising the annual sales cap to be comparable with the 37 other states who have higher caps or have removed them, we can make a major impact on small cottage businesses. Ultimately,

these increased sales will allow us to grow our businesses, employ others, stimulate the local economy and continue to feed our local communities. For these reasons, we ask that you support *House Bill 178 (Chang) Public Health – Cottage Food Businesses – Annual Revenues* and the positive effects that it will have on local businesses and the community.

Thank you for the opportunity to provide these comments for your consideration of House Bill 178. If you have any questions or would like additional information, I can be reached at cookiejarkits@gmail.com.

SUPPORT-HB178CottageFoodsSenate.pdf

Uploaded by: Kevin Atticks

Position: FAV



SUPPORT HB178

March 29, 2022

Madam Chair, Mr. Vice-Chair and Committee Members
Finance Committee
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

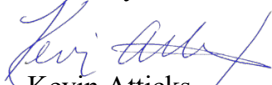
Dear Committee Members,

On behalf of Grow & Fortify—an organization that supports value-added agricultural industries in Maryland—we offer support for HB178.

Quite simply, this legislation brings incredible benefit to local businesses by increasing the revenue they're able to generate under their cottage food allowance from \$25,000 to \$100,000.

We urge your support of this legislation's very limited request to allow a producer of cottage food to earn more revenue from their craft.

Sincerely,


Kevin Atticks
Founder & CEO



TESTIMONY IN SUPPORT OF HB0178 for Senate.pdf

Uploaded by: Kimberly Haggard

Position: FAV

TESTIMONY IN SUPPORT OF HB0178

For the Members of the Finance Committee

Hello,

My name is Kimberly Haggard and I am in favor of HB0178. I am a cottage food producer in Annapolis, and am part of the Anne Arundel County Farmers' Market each week selling my jams, jellies, and baked goods. Working as part of the cottage food industry has been a great fit for me and my family. As a stay-at-home mom and part-time teacher, it offers me the flexibility to work when I'm able, without having to worry about the extra expenses of childcare or a commercial kitchen. Much of my work is done after my son has gone to bed. This flexibility has been especially crucial during the pandemic, when personal schedules are uncertain and demand is high at the farmers' market.

I use local ingredients in my products whenever possible, and purchase many of my ingredients from fellow vendors and farmers at the market. I am glad to be able to put money into the pockets of my local small farmers, while also allowing my customers a local option to purchase their jams and jellies, helping to keep more of their money in the local economy. These local ingredients usually cost more than what I would buy at the big box store, but to me, it is important to support these small businesses.

I have been selling at the market regularly for over three years now, and the \$25,000 cap on sales has limited the growth of my business. With a \$50,000 revenue cap, I would be able to further grow my business. It would also help me put more money back into the local economy as I will need to purchase more ingredients. As it stands right now, I have to limit the number of markets and sales I participate in in order to stay within the \$25,000 cap.

Thank you for your time and consideration of this bill. I know I am not alone in being limited by this revenue cap, and hope that this bill is passed so that many Maryland Cottage Food businesses can grow and flourish as they are legally allowed to sell more product and meet the demand of their customers.

Kimberly Haggard

FructoseAndSpice@gmail.com

(443) 569-3094

HB178 Testimony.pdf

Uploaded by: Laurie Reluzco

Position: FAV

Testimony in Support of HB178

For Distinguished Members of the Senate Finance Committee

From Laurie Reluzco
Owner of Penelope's BakeStop
Cottage Food Business Operator
Frederick, MD

Subject Written Testimony in Support of HB 178

Distinguished Committee Members, my name is Laurie Reluzco and I am a home baker, operating a Cottage Food Business, and I would like to ask for your support for HB178.

My path to becoming a cottage food baker was not planned. Prior to the pandemic, I was a meeting planner and we all know what COVID19 did to the meeting industry. I have always baked and enjoyed coming up with new recipes. When I won the Frederick News Post 2021 Recipe contest, I started baking even more, selling to close friends and co-workers. Then when I lost my job, I was forced to go all or nothing. I've been accepted into my first Farmers Market which opens April 30th and look forward to the possibility of one day opening a brick-and mortar establishment.

Unfortunately, the restrictive annual sales cap for Cottage Food will not allow me to grow my business. Baking and selling only once a week, has not given me enough opportunity to grow my customer base, gain experience successfully managing a business, or even hire a single employee yet. Additionally, living in Maryland on \$25,000 a year is impossible, forcing me to take a part time job, placing restrictions on my time

Maryland's Cottage Food Laws currently limit annual revenue to \$25,000 making Maryland's law more restrictive than thirty-nine other states. This restrictive sales cap is unnecessary because the MD Department of Health has already determined what non-hazardous foods can be safely prepared in a home kitchen.

By supporting HB178 to raise the \$25,000 annual sales cap from Cottage Food Laws, you would be helping to make Maryland a great place to start or grow a small business.

Sincerely,

Laurie Reluzco
Owner, Penelope's BakeStop

HB178-Testimony-FAVOR-Giancola.pdf

Uploaded by: Thomas Giancola

Position: FAV

Testimony in Support of HB178

For Distinguished Members of the Senate Finance Committee

From Thomas Giancola
Cottage Food Business Operator
Annapolis, MD

Subject Written Testimony in Support of HB 178

House Bill 178 makes a simple, but meaningful change to MD Article 21-301, by raising the Cottage Food Business annual sales revenue limit from \$25,000 to \$50,000. This testimony is written in support of HB178 and provides clear examples of how this bill will encourage small business growth, help entrepreneurs from across the state of Maryland, and ensure that the public continues to have access to safely made local food.

Background

Cottage Food Businesses are a regulated business by the Maryland Department of Health, County and Local Health Departments, and various other jurisdictions throughout the state of Maryland – that allows people in Maryland to produce non-hazardous foods for sale to the public.

“Non-hazardous foods” is a designation determined by the MD State Department of Health and is limited to only food items with the lowest risk of spreading a food-borne illness. The list of non-hazardous foods allowed for production by a Cottage Food Business, was created by the Dept. of Health after reviewing the types of ingredients that can be used, the equipment needed to produce the food, and the methods necessary for the safe handling of the food. The food items that are allowable for production by a Cottage Food Business do not require refrigeration, are shelf-stable, and suitable for production in any kitchen without specialized commercial restaurant equipment.

Testimony in Support of HB178

Cottage Food Businesses are subject to inspection by the Department of Health at locations where they offer their goods for sale and at their home where they produce goods. Additionally, Cottage Food Businesses are limited by both state and local regulations as to how and where they can offer their products for sale.

These rules and regulations provide sufficient guardrails to ensure that Cottage Food Businesses can safely operate across the state of Maryland.

The Challenge

In addition to all these rules, Maryland is one of only a handful of states to impose an annual sales cap that is extremely low. The current law only allows Maryland Cottage Food Businesses to perform \$25,000 of sales, per year.

This revenue cap is one of the only instances in the entire state, where the legislature is directly limiting and preventing small business growth.

This annual sales cap limits entrepreneurship throughout the state. By only allowing Cottage Food Businesses to sell \$25,000 worth of product a year (before expenses), it is impossible to determine if your food product would be viable on a larger scale, hire an employee, grow a customer base, gain experience successfully managing a business, or avoid speculative loans needed for a brick-and-mortar establishment.

Other States

Thirty-seven (39) states have adopted Cottage Food laws that remove sales caps or have raised their annual sales cap to well over \$50,000. This trend has been growing over the years with over a dozen states codifying less restrictive guidelines on Cottage Food Businesses in the past two-years alone.

Below is a list of several neighboring states and their current Cottage Food Sales Limits:

State	Sales Limit
Pennsylvania	No Limit
District of Columbia	No Limit

Testimony in Support of HB178

West Virginia	No Limit
Virginia	No Limit
Delaware	\$25,000

Safety

To date, there has never been a confirmed outbreak or wide-spread food borne illness attributed to any cottage food business, anywhere in the entire country. The Center for Disease Control has researched and published extensively on this topic and concluded that most food-borne illnesses have been linked to commercial food processing and the supply chain used to transport these items – not individual producers. This demonstrates that by supporting an increase to the annual sales cap for Cottage Food Businesses, there is no increased risk to the public health.

Benefits

Cottage Food Businesses are important part of our local economy.

My personal Cottage Food business, which bakes bread and makes pastries, sources all our flour from local farms – many of which are located on the Eastern Shore or along the Chesapeake Watershed. The grains we use are all milled by a local miller. The jams, fruits, honey, milk, and other inclusions that we use are all sourced from local farmers. These relationships are the foundation of a durable, local, supply chain that has been able to withstand multiple global supply chain disruptions – all while putting money directly back into our neighboring businesses. By selling at a Farmers' Market, we help attract additional customers, who in turn, further patronize our local Maryland farmers and the farm-to-table supply chain.

My cottage food business is far from unique in this regard. Every Cottage Food Business operator I have met – has found ways to directly connect with and support other local businesses, local farmers, and local markets. Like other businesses, Cottage Food Businesses pay both local and state taxes as well. By allowing Cottage Food Businesses to conduct additional business each year, you are allowing them to continue to help grow other local businesses as well as contribute to the tax base.

Testimony in Support of HB178

Conclusion

By supporting HB178 to raise the \$25,000 annual sales cap on Cottage Food Businesses, you would be helping to make Maryland a great place to start or grow a small business.

Follow-up

Thank you for considering this testimony – I can be reached for any follow-up questions at tomgiancola82@gmail.com or (443) 887-5388.

hb178.pdf

Uploaded by: LaWann Stribling

Position: FWA



Maryland General Assembly
Maryland Senate Finance Committee
Annapolis, MD - March 29, 2022

Testimony from LaWann Stribling, Strib'ble District LLC

Support with Amendments: Cottage Business Annual Pay Cap Increase - (HB178)

In April 2019 I learned that our bakery annual income has a cap of 25k. One year later in sitting in on townhall meetings since Covid made its appearance in 2020. Here I learned from emailing my delegate that the meeting is still up for discussion. I learned from Deborah that this law has been in place since the 1970s.

Covid has put us into a serious dilemma. What to buy or not to buy is the question. With the rising cost of houses my husband and I can't afford to purchase the family home we'd like for our 6 children. We did have that aspiration as the next goal to achieve prior to Covid when I began our family bakery business. As I would have liked to jump right out there into a cafe' I did not have access to capital to afford that luxury. I hit it from the ground up reading over all the information needed to know for Maryland businesses and food businesses.

The initial goal was to use my skills as a home baker and my knowledge and understanding of cannabis to create a processing business licensed under the State of Maryland Cannabis Commission. In 2019 when the application opened to apply I quickly jumped on the opportunity only to be faced with pure sadness. I didn't have the resources or money to have a facility up and set up to run prior to being approved.

From reading up on food business laws and cottage foods businesses I decided going the cottage business route would be best and what my family could afford. We opened up Strib'ble Treats Homemade Sweets in June 2019. In 2020 I began to participate in meetings and townhalls dealing with cottage businesses in Maryland, Prince George's County and the City of Greenbelt.

I believe me raising the question in 1 of those townhalls resparked the flame to request an increase in annual income for cottage foods businesses. As most of us, I surely do, aspire to grow more in business in this county and state. I'd request for our state to have a favorable response to HB178 with an amendment to increase the amount to \$75000 for the year. For

those of us who have been severely affected by the red lining of communities, lack of resources in our county and the war on drugs, this increase in pay for those affected ,would assist in addressing equity and reparative justice.

Thank you,

LaWann Stribling
7720 Jacobs Drive
Greenbelt, MD 20770

2 - X - HB 178 - FIN - MDH - LOI.pdf

Uploaded by: Heather Shek

Position: INFO



DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

March 29, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401-1991

RE: HB 178 (3rd) – Public Health - Cottage Food Businesses - Annual Revenues – Letter of Information

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) is submitting this letter of information for HB 178 (3rd Reader) – Public Health - Cottage Food Businesses - Annual Revenues. HB 178 (3rd) would raise the revenue limit for cottage food businesses (CFBs) from \$25,000 to \$50,000 per year.

CFBs operate out of private home kitchens, which are unlicensed and not inspected by the State. CFBs provide a way for people to make and sell certain food products which do not require temperature controls, such as breads, cookies, and jams. On a small scale, private home kitchens may be able to meet the needs of CFBs, however, home kitchens (including septic systems, equipment, and storage) are not designed to the same food safety standards as commercial kitchens. Exceeding the designed capacity of any kitchen can lead to food contamination and other food safety concerns.

As CFBs grow, there is a mechanism for them to safely increase production by utilizing incubator kitchen facilities that are licensed and meet food safety standards. This allows CFBs the opportunity to expand and ultimately become commercial licensed food retailers, while still meeting food safety standards. The Department notes that, if the revenue limit is raised, there may be less incentive for CFBs to make the transition to incubator sites where there are fewer opportunities for contamination and food safety concerns.

MDH recognizes that licensure as a retail or manufacturing food facility may not be practical for all businesses and has worked with CFBs to successfully operate in Maryland. Under the current revenue limits, CFBs are unlikely to directly compete with licensed retail food facilities, but if the revenue limits are increased, it raises the possibility of two different sets of operating and safety standards, one for licensed food retailers, and another for CFBs, who would nevertheless be comparable in their revenue and distribution potential. This could potentially produce a competitive advantage for larger CFBs compared with licensed food retailers of similar products.

MDH also notes that Pennsylvania, Virginia, and the District of Columbia require registration and inspection of residential home kitchens used for CFBs, neither of which is required in Maryland.

I hope this information is useful. If you would like to discuss this further, please contact Heather Shek, Director, Office of Governmental Affairs at 410-767-5282 or heather.shek@maryland.gov.

Sincerely,

A handwritten signature in cursive script that reads "Dennis R. Schrader". The signature is written in black ink and is positioned above the printed name and title.

Dennis R. Schrader
Secretary