



Maryland Farm Bureau

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March 24, 2026

To: Senate Finance Committee

From: Maryland Farm Bureau, Inc.

RE: Support of HB 535 — Food Establishments – Cottage Food Businesses – Maximum Annual Revenue

The Maryland Farm Bureau respectfully supports HB 535, which increases the maximum annual revenue a business may generate from the sale of cottage food products from \$50,000 to \$100,000. Cottage food production has become an important avenue for Maryland's farmers, value-added producers, and rural entrepreneurs to expand their income while meeting rising consumer demand for locally made goods. As the cost of ingredients, packaging, transportation, and labor continues to climb, the current cap has become outdated and increasingly restrictive. Raising the threshold to \$100,000 more accurately reflects today's economic realities and allows small producers to grow sustainably without being forced prematurely into costly commercial kitchen requirements.

This modest but meaningful adjustment will support value-added agriculture and direct-to-consumer sales, two areas that are essential for the viability of Maryland's small and mid-sized farms. Cottage food businesses often serve as the entry point for new agricultural entrepreneurs, providing low-risk opportunities for farmers and rural residents to test products, build customer bases, and reinvest earnings back into their operations. Increasing the allowable revenue cap ensures that these businesses can keep pace with inflation, scale responsibly, and remain competitive in regional markets.

HB 535 strengthens local food systems, bolsters rural economies, and expands market opportunities for Maryland producers without compromising food safety standards, which remain clearly defined under existing Department of Health regulations. For these reasons, the Maryland Farm Bureau urges the committee to issue a favorable report on HB 535.

A handwritten signature in black ink, appearing to read 'Tyler Hough', with a horizontal line above it.

Tyler Hough
Director of Government Relations

Please reach out to Tyler Hough, though@marylandfb.org, with any questions