

Cottage Food Frequently Asked Questions (FAQ)

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Licensing, Inspections, and Approvals

- 1. Do I need a license for my cottage food business? No. By law, cottage food businesses do not require a retail food service facility license. However, some jurisdictions may have local laws or ordinances that are more restrictive. Contact your <u>local health department</u> for specific local laws and ordinances.
- 2. Do I need a business license or am I required to collect sales taxes for my cottage food business? Business license questions may be answered by the Circuit Clerk's Office in your jurisdiction. Refer to the Maryland Business Express webpage. For information on collecting sales taxes contact the Maryland Comptroller's Office.
- **3. How do I obtain a unique identification number for my business?** You must submit information for review using the Maryland Department of Health <u>Cottage Food Business Request Form.</u>
- 4. How do I request to sell my cottage foods to a retail food store? You must submit information to the Maryland Department of Health for review using the <u>Cottage Food Business Request Form</u>. Upon satisfactory completion of the review process, a compliance letter is issued. This letter is required in order to sell to a retail food store. The Maryland Department of Health recommends you review the <u>Cottage Food Business Checklist</u> before submitting a request to sell your cottage food products to a retail food store. This step will help ensure you have the information needed to complete the process and minimize delays in your review.
- 5. When do I need to take food safety training? If you plan to sell cottage food products to a retail food store, you must complete a basic food safety training course approved by the American National Standards Institute (ANSI). The course must at a minimum cover the following topics: basic food safety, cleaning and sanitizing, personal hygiene, pest control and prevention, and

- receiving, storing, preparing, and serving food. You must ensure the course is <u>ANSI-Accredited</u>. Some companies offer both ANSI-accredited and non-accredited courses.
- **6. Does my kitchen need to be inspected?** No. A cottage food business doesn't require a preliminary or routine inspection. However, if a consumer complaint or illness is reported, the home kitchen may be inspected by the local health department. The operator of the cottage food business must provide the Department access to the home kitchen for such investigations.
- 7. If a complaint is lodged against my business or product, does the local health department have the right to inspect my operation/facilities? If a complaint or illness is reported, the kitchen may be inspected by the local health department. The cottage food business operator must provide the Maryland Department of Health access to the home kitchen for such investigations.
- **8.** Will I need to meet local zoning or other laws? Yes. Cottage food operators should contact their local government for example, the local health department and zoning department to be aware of any additional ordinances and regulations that will impact their business. Note that it is possible in a state with a cottage food law (including Maryland) that a local city or town government within the state may not allow home food/cottage food production.
- 9. The farmers market where I want to sell my products says I need a food license, even though I am a cottage food business. Can the market require a license? By law, cottage food businesses do not require a retail food service facility license. However, some jurisdictions may have local laws or ordinances that are more restrictive. Contact your local health department.

Labeling

- **10. Do I have to put a label on my cottage foods?** Yes. You are required to label your cottage foods. See the example label in the Maryland Department of Health Guidelines for Cottage Food Businesses on the Maryland Department of Health website.
- 11. Do I have to include my home address on my product label? You must use the physical address of your home kitchen (not a post office box) on your product label <u>or</u> a Cottage Food Business Identification Number issued in a compliance letter from the Maryland Department of Health. The cottage food law specifies that the name and address or identification number of the cottage food business must be included on the label. For labels with cottage food identification numbers, the cottage food business phone number must also be included on the label. Find additional label requirements in the question below.
- **12. What information is required on my labels?** The law specifies that you must have the following:
 - Name of the cottage food business.
 - Address of the cottage food business. A Post Office Box is not acceptable. A unique identification number issued by the Maryland Department of Health may be used as an alternative to a business address.
 - Name of the cottage food product.
 - Ingredients in descending order of prominence by weight.

- Ingredients list including all sub-ingredients. A helpful tip is to examine the labels for
 each of your ingredients and list all of those ingredients in parentheses on your label as
 sub-ingredients. For additional labeling information, see the Labeling Guide, Fillable
 Label form, and Guidelines for Cottage Food Businesses located on the Maryland
 Department of Health website.
- Included allergens. Note: If all ingredients and sub-ingredients are listed on your label then all allergens are identified. You may add a separate "contains" statement for allergens, although this is not required. See the example label in the Guidelines for Cottage Food Businesses. Major food allergens include milk, egg, fish (such as bass, flounder, or cod), crustaceans (such as crab, lobster, or shrimp), tree nuts (such as almonds, pecans or walnuts), wheat, peanuts, sesame and soybeans and any food ingredient that contains proteins derived from milk, egg, fish, crustacea, tree nuts, wheat, peanuts, sesame, or soybeans.
- Nutrition information as specified by Federal Labeling requirements. This is not required
 for small businesses unless you are making a health or <u>nutrition claim</u>. Examples of
 health claims would be: "This food helps reduce cholesterol;" or "low fat."
- Net weight, volume, or count. An example of a count is one dozen cookies.
- Cottage food business disclaimer. This must be worded exactly as stated in the
 regulations and must be in 10 pt. font or larger in clear contrast to the background on
 the label for legibility: "Made by a cottage food business that is not subject to
 Maryland's food safety regulations."
- To sell cottage foods to a retail food store you must submit additional required documents for review, using the Maryland Cottage Food Business Request Form.
 - Provide a designated place on the label for the date the food item was made.
 - Phone number of the cottage food business. The information on the submission form and label must match.
 - Email of the cottage food business. The information on the submission form and label must match.
- 13. What does allergen labeling, as specified in federal labeling requirements, mean? It means you must identify if any of your ingredients are made from one of the following food groups: milk, eggs, wheat, peanuts, soybeans, fish (such as bass, flounder, or cod), crustaceans (such as crab, lobster or shrimp), tree nuts (such as almonds, pecans or walnuts) and sesame. Additionally, you must identify any food ingredient that contains proteins derived from milk, egg, fish, crustacea, tree nuts, wheat, peanuts, sesame, or soybeans. For example, if you have an ingredient made with a wheat-based product, you have two options:
 - **a.** Include the allergen in the ingredient list. If your product is white bread with the following ingredient listing: whole wheat flour, water, salt, and yeast. In this example, the statement "whole wheat flour" meets the federal labeling requirement.
 - **b.** Include an allergen statement ("Contains:") after the ingredient list. If your product is white bread, the following description could be used: "ingredients: whole wheat flour,

water, sodium caseinate, salt and yeast. Contains: wheat and milk." The "Contains" statement reflects all the allergens found in the product. In this example, the sodium caseinate comes from milk.

Products

- 14. Why are some products not allowed to be made and sold as cottage foods? The cottage food laws and guidance document allow food entrepreneurs to operate small food businesses and produce a variety of products that are low risk from a food safety standpoint while protecting public health. The allowable products list is based on the food safety risk level associated with certain types of foods. People who operate a licensed food processing business must meet specific requirements for training, food safety, and handling, and are regularly inspected by the health department. Since cottage food businesses are not licensed or inspected, it is necessary to limit food products allowed to those that are considered low-risk, or non-potentially hazardous.
- **15.** Can I produce and sell salsas, tomato sauces, or spaghetti sauces? No. These food products would either be acidified for shelf stability or must be kept refrigerated. Food licensure is required and neither would be allowable under cottage foods. See Appendices C & D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.
- 16. Can I add hemp, CBD, and/or cannabis to my cottage food item? Three parts of the hemp plant (hulled hemp seed, hemp seed protein, and hemp seed oil) do not contain CBD and are generally recognized as safe (GRAS) for adding to food. Only food items labeled as having "hulled hemp seed," "hemp seed protein," or "hemp seed oil" are allowed to be produced or sold. Contact the Maryland Cannabis Administration for more information on manufacturing cannabis-infused products, cannabis-derived (such as CBD), and edible cannabis products. These items are not categorized as food. See the Maryland Department of Health website for more information.
- 17. Can I roast and grind coffee beans? Can I brew my ground coffee? You can roast and sell whole-bean coffee, as long as you meet all of the provisions of the cottage food guidance document (roasting in the primary residential kitchen, labeling, storage, etc.). However, further processing and beverages are not allowed under the cottage food guidance document. Therefore, you are not allowed to grind or brew your own coffee to sell; these items would require a food license. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.
- **18.** Can I dehydrate or freeze-dry my own herbs or spices? No. Dehydrating and freeze-drying food requires a food license. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.
- 19. Can I make and sell dehydrated meat or poultry or make any products containing meat? No. Drying of meat into jerky is not allowed. Meat and poultry are potentially hazardous foods and are federally regulated. Meat and products containing meat are not allowed under cottage foods. Food licensure is required. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.

- **20.** Can I freeze dry store-bought candies? Yes. As long as the candies are non-potentially hazardous and from commercial sources (such as Skittles) this is allowable. You cannot freeze dry or freeze any other food items under cottage foods.
- **21. Can I make and sell pumpkin butter, pear, or other fruit butters?** Only fruit butters made from apple, apricot, grape, peach, plum, prune, and quince are allowed due to the higher acidity of the natural fruit (pH of 4.6 or below). No other fruit butter is allowed as cottage foods. Pumpkin, pear, and other butters have significantly less sugar, pectin levels, and lower acidity, which may allow for the growth of *Clostridium botulinum*. These items would require a food license. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.
- **22.** Can I press and sell apple cider? No. Apple cider is a beverage. Beverages are not allowed to be produced under cottage foods. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.
- 23. Are honey and maple syrup covered under the guidance document? Unflavored honey (including creamed honey) is considered a raw agricultural product and not a cottage food. Maple syrup and flavored honey require an on-farm home processing license or a processing license. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website. Visit the website for information related to Processing and Selling Value-Added Food Products in Maryland.
- **24. Is Elderberry syrup allowed under cottage foods?** No. Elderberries are not acidic since the natural pH of the berry is not 4.6 or below, as required. Additionally, syrups are not allowed under cottage foods. Consider how you will market your product:
 - **a.** If you market Elderberry syrup as a dietary supplement for wellness purposes rather than food syrup, you must contact the FDA as <u>supplements</u> are regulated by the FDA.
 - b. If you market your Elderberry syrup as a food item and it is a refrigerated product, you must operate from a commercial kitchen and obtain a food license from either the Maryland Department of Health or your local health department, depending on your distribution. Local health department licensing covers retail sales directly to customers, including internet sales, and wholesale sales up to 25 percent of total sales. The local health department may have information about commercial kitchens with shared space available for lease by individuals, such as cottage food operators.
 - c. If your sales are primarily wholesale, including retail sales up to 25% of total sales, you would obtain a food processing license with the Maryland Department of Health. See the Maryland Department of Health <u>plan review page</u> for more information. **NOTE**: If your product is to be marketed as a food, beverage, or syrup and shelf-stable (not refrigerated) a food processing license would be required.
- **25.** Can I make fermented foods such as kombucha, kefir, and yogurt? No. Fermented foods, with the exception of sourdough bread, are not allowed as cottage foods due to the fermentation process that must be monitored to ensure a safe food product. Additionally, beverages and dairy products are not allowed; food licensure is required. See Appendices C and D (Cottage Food

Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health <u>website</u>.

- **26. Can I make pizza or other prepared foods?** No. Even if there is no meat ingredient, this is not allowed. Prepared foods including pizza are not shelf stable and must either be held hot (above 135F) or cold (below 41F). Cottage foods are non-potentially hazardous shelf-stable foods. Food licensure is required. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health <u>website</u>.
- **27. Can I make and sell hard candies or lollipops?** Yes. Hard candies, such as lollipops and peppermint candies are allowed under the cottage foods, as long as they are pre-packaged and labeled correctly according to the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.
- 28. Can I use fresh, frozen, or canned low-acid fruits (e.g., zucchini, banana, papaya, pumpkin, persimmon, and melons with a pH above 4.6) and vegetables in baked goods? Recipes for quick breads vary and not all moist quick breads made with low-acid fruits and vegetables are considered non-potentially hazardous. Moist quick breads made with low-acid fruits or vegetables (with a natural pH > 4.6) must be evaluated for approval for cottage food sales. You would need to send your product to an accredited food laboratory for testing. Laboratory results for water activity are required for each recipe that you would like to offer. A water activity result of 0.85 or below is considered non-potentially hazardous and allowable under cottage foods. If your lab results are not within the non-potentially hazardous parameters, your product is potentially hazardous and not allowable under cottage foods.

The Maryland Department of Health doesn't maintain a list of accredited food testing laboratories. A simple internet search will yield results of testing laboratories. The lab does not need to be located in the state of Maryland. Note that prices may vary. Your laboratory results must be submitted for review through the Maryland Department of Health Cottage Food Business Request Form 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.

At all public events (e.g. fairs, festivals, etc.), cottage food vendors must have copies of the laboratory results from the official food testing laboratory readily available for review by the Local Health Department to prove the product is indeed non-potentially hazardous and allowable. See the "Icings and Cakes" section of this FAQ for more detailed information regarding the testing of icings.

29. Can I make pumpkin, meringue, or pecan pies? No, pumpkin, meringue, and pecan pies are considered potentially hazardous and are not allowed under cottage foods. According to the USDA, homemade egg-based and egg-rich pies such as pecan, pumpkin, lemon meringue, and custard must be kept refrigerated after cooking and cooling to prevent the outgrowth of foodborne pathogens. NOTE: Perishable pies, such as pumpkin and pecan, purchased from in-store bakeries, may contain preservatives to make them shelf-stable. Food licensure is required. See Appendices C and D (Cottage Food Decision Tools) in the Guidelines for Cottage Food Businesses on the Maryland Department of Health website.

- **30.** Can I make and sell dry bread or "instant" bread mixes? Yes. Dry bread mixes are an acceptable product to produce and sell under the cottage food guidance document, as long as you meet all requirements of the law.
- **31.** Can I make churros or donuts? Donuts and churros are allowable if they are baked (i.e. fried donuts are not allowable) and contain only non-potentially hazardous toppings or fillings.
- **32.** As a cottage food business, can I pop kettle corn onsite at a farmer's market (or public event) and then bag it onsite? Cottage food must be produced, packaged, and labeled in the residence. Cottage foods cannot be produced onsite at a temporary event or farmer's market. If your business is interested in producing foods onsite at a temporary event or farmer's market, you may request a temporary retail food service facility license from your local health department.
- **33. Are pet foods or treats covered in the guidance document?** No. The cottage food guidance document applies to human food only. Please contact the Maryland Department of Agriculture State Chemist regarding the manufacture of dog treats and food.
- **34. Can I add alcohol to my baked goods?** Yes. However, there are specific additional requirements and laboratory testing depending on when the alcohol is added to a food item and the amount of alcohol remaining in the product. When alcohol is added to a product prior to baking, most of the alcohol will cook off during the baking process. No additional requirements or testing apply. However, when alcohol is added to a baked good after baking or when alcohol is added to an icing or glaze, you must also have your product evaluated by a certified food testing laboratory to determine the alcohol percentage in each product.

For foods with an alcohol content greater than one-half of one percent of alcohol per volume content (0.5 x 1% = 0.005), additional labeling requirements will apply (MD Health-General §21–214, Annotated Code of MD). You must comply with cottage food labeling requirements and Health General §21-214, Annotated Code of Maryland product sales restrictions and labeling requirements if you offer a food product that is manufactured or sold that contains more than one-half of one percent of alcohol per volume.

Contact the <u>Maryland Alcohol</u>, <u>Tobacco</u>, <u>and Cannabis Commission</u> for questions about the sale of products containing alcohol.

Icings and Cakes

35. Why are butter-based buttercream frostings, royal icing with meringue powder, and icings made with perishable ingredients not allowed as cottage food products? Butter-based buttercream frostings, royal icing, and icings made with perishable ingredients (e.g., milk, butter, reconstituted meringue powder, etc.) produce a final product with variable water activity and pH depending upon the recipe. You must demonstrate that either pH, water activity, or both are sufficient to prevent dangerous bacteria from growing.

Testing for icings with potentially hazardous ingredients must be done by a certified food lab and results for pH and water activity are required. Laboratory results with a water activity level

of 0.85 or below, or a pH of 4.6 or below would be non-potentially hazardous. Reminder: If your recipe or ingredients change, you must have your icing re-tested.

Royal Icing Note: Royal icing is typically made from egg whites. Egg whites from unpasteurized shell eggs cannot be used in cottage foods since the icing product will not be heat treated to kill the bacteria *Salmonella*, which could make someone ill. Bakers often use meringue powder because the meringue powder contains egg whites that have been pasteurized or heat-treated to kill *Salmonella*. When water is added to reconstitute the meringue powder it becomes a perishable or potentially hazardous food. If pasteurized shell eggs are used, the icing must be tested to prove that it is non-potentially hazardous.

- **36.** Is icing with shortening allowed on my baked goods? Frostings and icings made with oils (shortening, lard, etc.) and other non-potentially hazardous ingredients, and commercially prepared icings that do not require refrigeration (i.e. are not labeled either "keep refrigerated" or "refrigerate after opening") are allowed as cottage food products provided no water is added to the recipe.
- **37.** I use a drizzle, frosting, or icing made with sugar and water on my baked goods. Is that allowed? Drizzles, frostings, and icings made with water added to sugar and other non-potentially hazardous ingredients must have a sugar content high enough that it inhibits the growth of pathogenic bacteria that could cause foodborne illness. The addition of water to non-potentially hazardous ingredients changes the available water content for the recipe as a whole and the recipe must be tested to verify that the added water does not create a potentially hazardous product. Your recipe(s) must be tested for pH and water activity by a certified food laboratory. Results with a water activity level of 0.85 or below are non-potentially hazardous, or if you have a pH result of 4.6 or below it would also be non-potentially hazardous.
- 38. Can I make and sell wedding cakes and specialty cakes? What are the requirements for selling these types of cakes? Yes. Wedding cakes and specialty cakes with non-potentially hazardous (do not require refrigeration) fillings and icings are allowed under cottage foods. All cottage food products must be produced in a home kitchen and pre-packaged with a complete label affixed to the box/packaging containing the product. If you are unable to pre-package and label the product, it cannot be offered as cottage food.

Sales Locations

- **39.** Can I sell my cottage foods over the Internet? Cottage foods produced in Maryland can only be sold within the State. It is not permissible to distribute the products across State lines. You may advertise your cottage food products online but sales are restricted to Maryland only.
- **40. Can I mail my products to my customers?** Cottage foods produced in Maryland can only be sold within the State. It is not permissible to distribute the products across State lines. You may mail your product, but only within the State of Maryland.
- **41.** Can I sell my cottage foods to another business (wholesale)? Under the cottage food law and regulations, a cottage food business can only sell to a retail food store once the cottage food business has completed the Maryland Department of Health request submission

process. A Maryland Department of Health compliance letter is issued to a cottage food business meeting the requirements for sales to a retail food store.

A "retail food store" is a licensed food service facility that sells prepackaged food items either fresh, refrigerated, frozen, or shelf-stable. A retail food store includes a grocery store, convenience store, retail market, retail bakery, or food cooperative where, in general, food is sold in its original packaging. A retail food store doesn't 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 establishment that offers only prepackaged non-potentially hazardous food.

Reminder: Your products cannot be sold to a retail food store until you have received a Maryland Department of Health compliance letter.

- **42.** I lease space in a retail building where I operate a small antique shop. As a cottage food baker, can I sell my own baked goods from my shop? No. Cottage food products can only be sold to a licensed retail food store. An antique shop would likely not have a food license. A 'retail food store' is a licensed food service facility that sells prepackaged food items either fresh, refrigerated, frozen, or shelf-stable.
- **43. Can I sell cottage foods at a bake sale, in front of a retail store, or business?** Cottage food products can be sold at a bake sale **in conjunction with a fundraising event**. Bake sales do not include a place where a person sells baked goods for individual profit, from which food is commercially distributed, or where a potentially hazardous baked good is sold or distributed. For example, setting up in front of a florist's shop on Valentine's Day or in front of your apartment building is considered selling for individual profit, since the sales are not associated with a fundraising event and would not be allowable.

General Questions

- **44. Are there any special requirements regarding my home on-site well?** Water used to produce food products should be from a potable source. If you have any concerns about the potability of your water source, please contact your local health department.
- **45. Are there any concerns related to my home's on-site wastewater (septic) system?** Depending on the nature and volume of the food products that will be manufactured for sale, there can be adverse effects on the existing septic system serving the home. For instance, adding significant bakery wastewater will not only increase the total volume discharged but may also result in an increase in the organic strength of the wastewater discharged to the drain field, leading to the possibility of accelerated system failure. If you have any concerns about your septic system, please contact your local health department.