



COTTAGE FOODS ACT

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CFA DISCLAIMER

This course is NOT a food safety training course that satisfies the requirements for the Cottage Food Act. It is informational only.

WHY?



SALE OF FOODS TO CONSUMERS HAS SIGNIFICANT LICENSING REQUIREMENTS, INSPECTIONS, ETC.



COLORADO WANTED TO PROVIDE ABILITY FOR SMALL BUSINESSES IN REALM OF LIMITED BUT SAFE FOODS TO BE ABLE TO ENTER INTO BUSINESS MORE EASILY

C.R.S. 25-4-1614 AND RELATED RULES

“The purposes of this section are:

- To allow for the sale and consumption of homemade foods and
- To encourage the expansion of agricultural sales by farmers’ markets, farms, and home-based procedures and accessibility of these resources to informed end consumers by
 - Facilitating the purchase and consumption of fresh and local agricultural products
 - Enhancing the agricultural economy and
 - Providing Colorado citizens with unimpeded access to healthy food from known sources”

STARTING A COTTAGE FOOD BUSINESS

Determine if you qualify

Start a business (mybiz.Colorado.gov)

Take a qualified food safety training course

Determining your location of production

Obtain insurance

Packaging and labelling

Selling

Maintain business and training requirements

DETERMINING ELIGIBILITY

ELIGIBLE FOODS

Do not require
refrigeration for safety

Do not require a
specialized process for
safety

Have gone through
minimal post-harvest
processing to remove
dirt, debris, or dead
leaves

Can contact Colorado
Department of Public
Health and
Environment for
opinion if unsure

ELIGIBLE FOODS

Pickled produce with pH of 4.6 or below

Dried spices and teas

Nuts and seeds

Dehydrated or freeze-dried produce

Canned fruits in syrup

Preserves, honey, fruit butter (with exceptions)

Flour, tortillas

Candies that don't require refrigeration, cotton candy, fudge

Fruit empanadas

ELIGIBLE FOODS (CNTD.)

Up to 250 dozen whole eggs per month*

Baked goods without dairy-based fillings or toppings

Roasted coffee beans

Frosting made with ghee or vegetable oil (not butter)

Confections with Alcohol intended as candy (less than 5% alcohol)

Dry cake mix

Granola bars

Flavored vinegar and bitters

INELIGIBLE FOODS

Any meat product

Any food with a meat product as an ingredient or topping (even if frozen)

Baked or fried goods with dairy-based fillings or toppings

Sauces and condiments

Beverages

Custard-based pies (pumpkin, sweet potato, cream)

Cut fresh produce

Fresh produce juices or concentrates

Fresh produce puree

Pepper jelly or jam made with fresh peppers or homemade dehydrated peppers (but not dried spices)

Anything containing CBD or THC

Anything with more than 5% alcohol by weight

"Low-sugar" versions of recipes that include sugar normally

INELIGIBLE FOODS

Canned fruits
and
vegetables

Flavored oils
and salsas

Canned
pickled
products

Fish and
shellfish
products

Foccacia-style
breads

Fresh
homemade
pasta

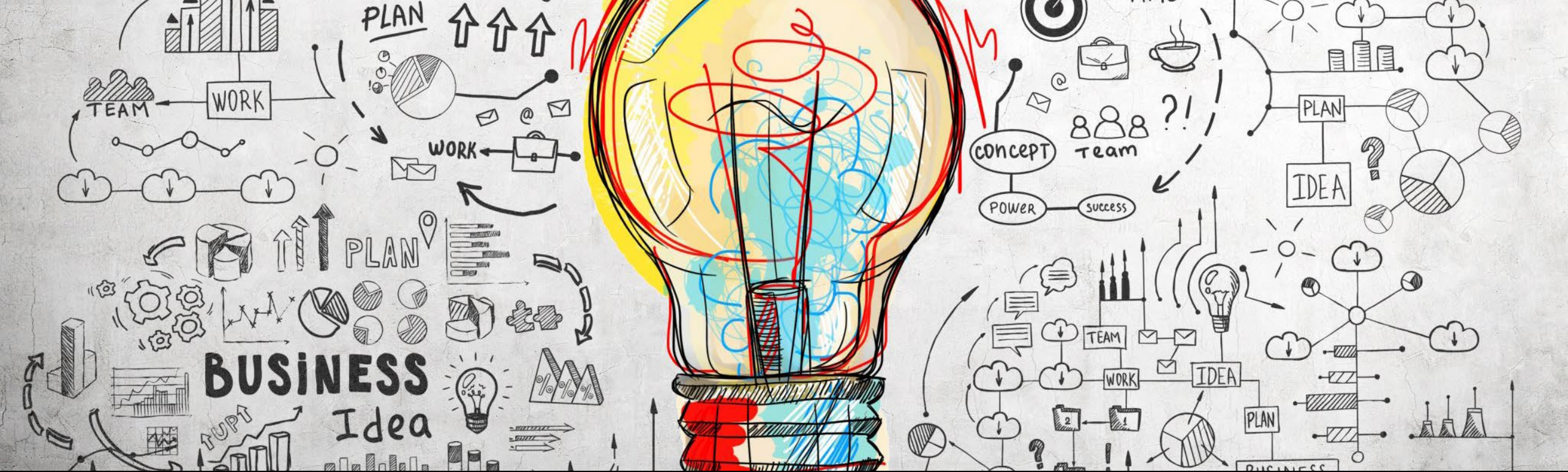
Ice or ice
products

Any milk or
dairy products

Pumpkin
butter

Raw seed
sprouts

Sourdough
bread starter



CREATE YOUR BUSINESS

BUSINESS



Sole Proprietor or LLC (limited to 2 or fewer members, but unlimited number of employees)



Colorado business



Licensed with local city/county Home Use permit

NET REVENUE



Less than \$10,000 net revenue
per product

Each muffin flavor different product



“Net revenue”

Revenue from sale – (COGs + standard
costs)



FOOD SAFETY TRAINING

FOOD SAFETY TRAINING FOR COLORADO FOOD PRODUCERS

Colorado State University Extension

In person, classroom style, 3 hours

\$40

Good for 3 years from date of completion

Can take an online course to renew

FOOD HANDLERS CARD



State Food
Safety



All online



\$10



Multi-lingual



Good for 3
years

LOCAL PUBLIC HEALTH AGENCY FOOD SAFETY TRAINING



Usually for restaurant operators and staff



Agency-by Agency



Tri-County Health (Adams) – ServSafe – Food Handler



Broomfield – AllerTrain Food Halder Course

SPACE



Home kitchen



Commercial kitchen



Privacy kitchen



Public kitchen



Schools and nonprofits that provide kitchens are specifically not liable

INSURANCE



General liability



Home bakery liability

SANITATION

Clean

Clean work surfaces with soap and water, rinse, then sanitize

Sanitize

Sanitize with 1/8 tsp unscented bleach with 16 oz water

Wash

Wash your hands often

Prepare

NEVER prepare food while sick

Keep

Keep pets out of food production areas

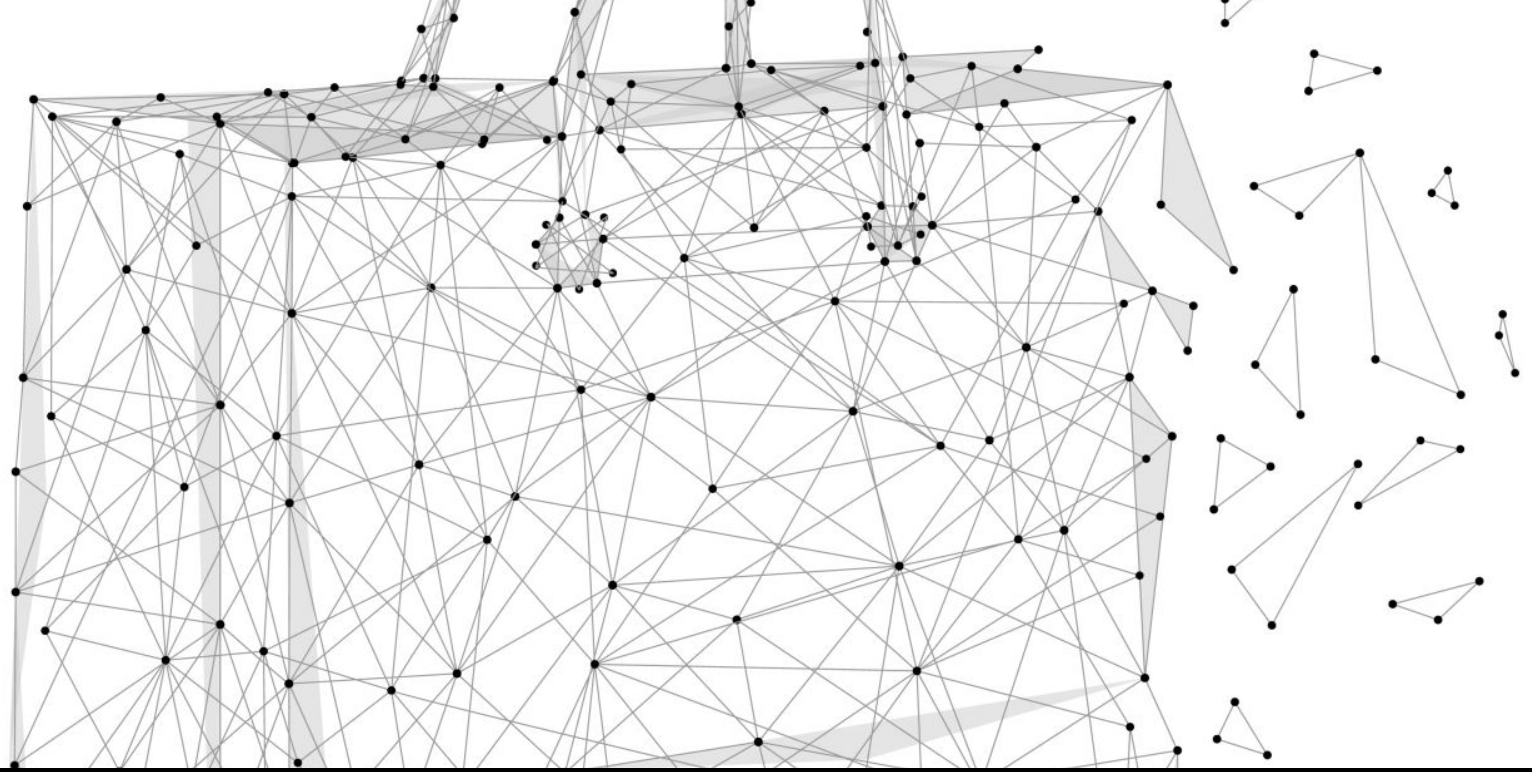
Consider

Consider testing private water supplies at least once a year

Test

Test first pickling batch of each recipe during the production season

Certified food labs



PACKAGE AND LABEL

PACKAGING

ALL COTTAGE FOODS MUST BE PACKAGED AND LABELED
ACCORDING TO SPECIFICATIONS

CANNOT SELL UNLABELED FOOD TO CUSTOMERS

PRE-PACKAGED

FOOD GRADE MATERIAL

LABELS

Must include:

- “This product was produced in a home kitchen that is not subject to state licensure or inspection and that may also process common food allergens such as tree nuts, peanuts, eggs, soy, wheat, milk, fish and custacean shellfish. This product is not intended for resale.

Product name

Producer name

Full location of production address

Producer’s current email

Producer’s current phone number

Production date

Complete list of ingredients, in descending order of weight

CONSEQUENCES OF INCOMPLETE LABELLING

Considered misbranded

Subject to food sampling and inspection under subsection (4) of act

BALANCING DISCLOSURE AND TRADE SECRETS

Recipes are not covered by patent

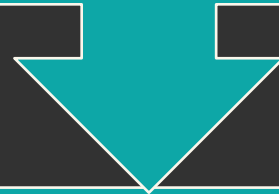
Recipes are a trade secret

Must disclose ingredients

Trade secret = proportions, arrangements, and methods

ORGANIC

Must be certified by a United States Department of Agriculture (USDA) National Organic Program accredited certification agency. In order to include it anywhere on a primary label



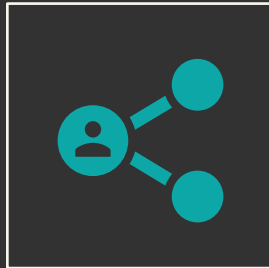
May list an ingredient as organic without obtaining certification

SELLING

SALES

- Only directly to an informed end consumer
- Only in Colorado
- No resale
- No intermediate sales person (must be producer's designated representative)
- No sales to restaurants or food trucks
- No sales to grocery stores
- Clearly display disclaimer at point of sale: "This product was produced in a home kitchen that is not subject to state licensure or inspection. This product is not intended for resale."
- Can be online, so long as not interstate
- Have copy of certificate posted or available at point of sale (best practice, not required)

PRODUCER OR DESIGNATED REPRESENTATIVE



Preferably part of the business
(employee or co-owner)



Knowledgeable about the
product



Able to answer general consumer
questions about the product

INFORMED END CONSUMER

Has all required information on label

Both purchases and consumes food

NOT caterer or catered event (purchaser is not same as consumer)

SALES TAX



Subject to sales tax



State



Jurisdiction by
jurisdiction



Special Event
applications

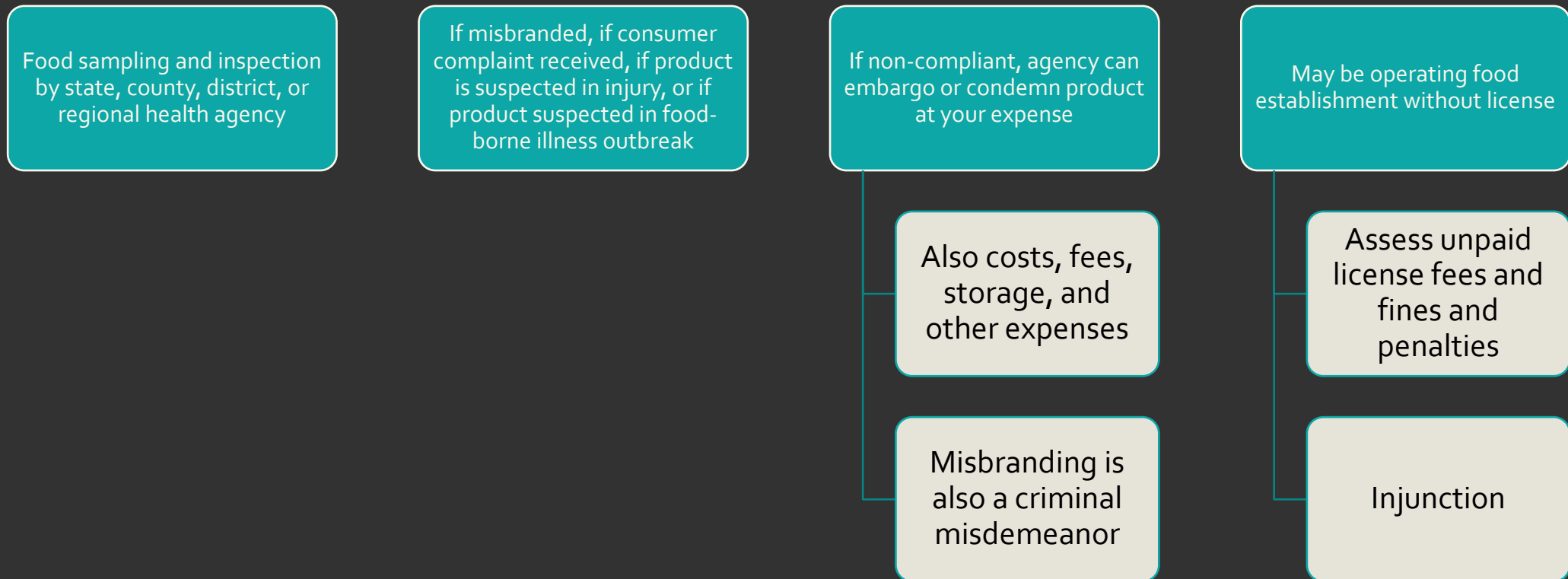


AND BEYOND

MAINTAIN YOUR RECORDS

- Business records
 - (minutes, foundational documents, filings, contracts)
- Production records
 - (recipes, names, amount prepared, amount sold, date prepared, date and location of sale, pH test results, source of ingredients)
- Financial records
 - (gross sales receipts, sales tax collected, sales tax paid, taxes)
- Internal processes and procedures
- Training records

CONSEQUENCES OF NON-COMPLIANCE





THANK YOU!

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Reach out to the SBDC for a
free consult.