



# 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

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Determine if you qualify

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Start a business ([mybiz.Colorado.gov](http://mybiz.Colorado.gov))

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Take a qualified food safety training course

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Determining your location of production

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Obtain insurance

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Packaging and labelling

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Selling

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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

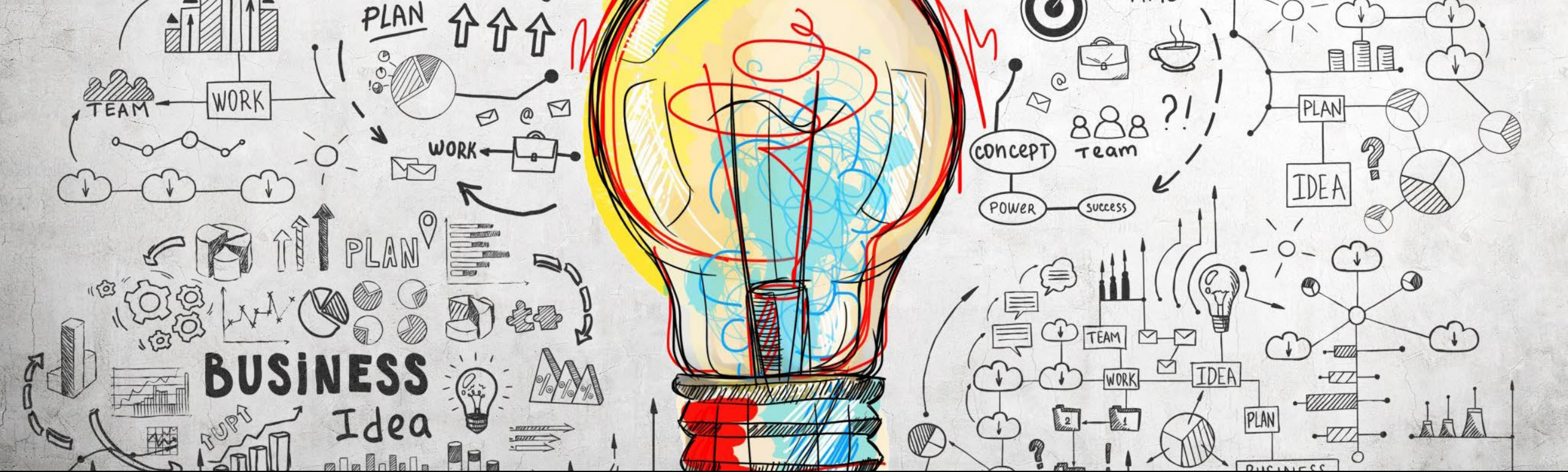
Ice or ice  
products

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

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Colorado State University Extension

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In person, classroom style, 3 hours

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\$40

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Good for 3 years from date of completion

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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

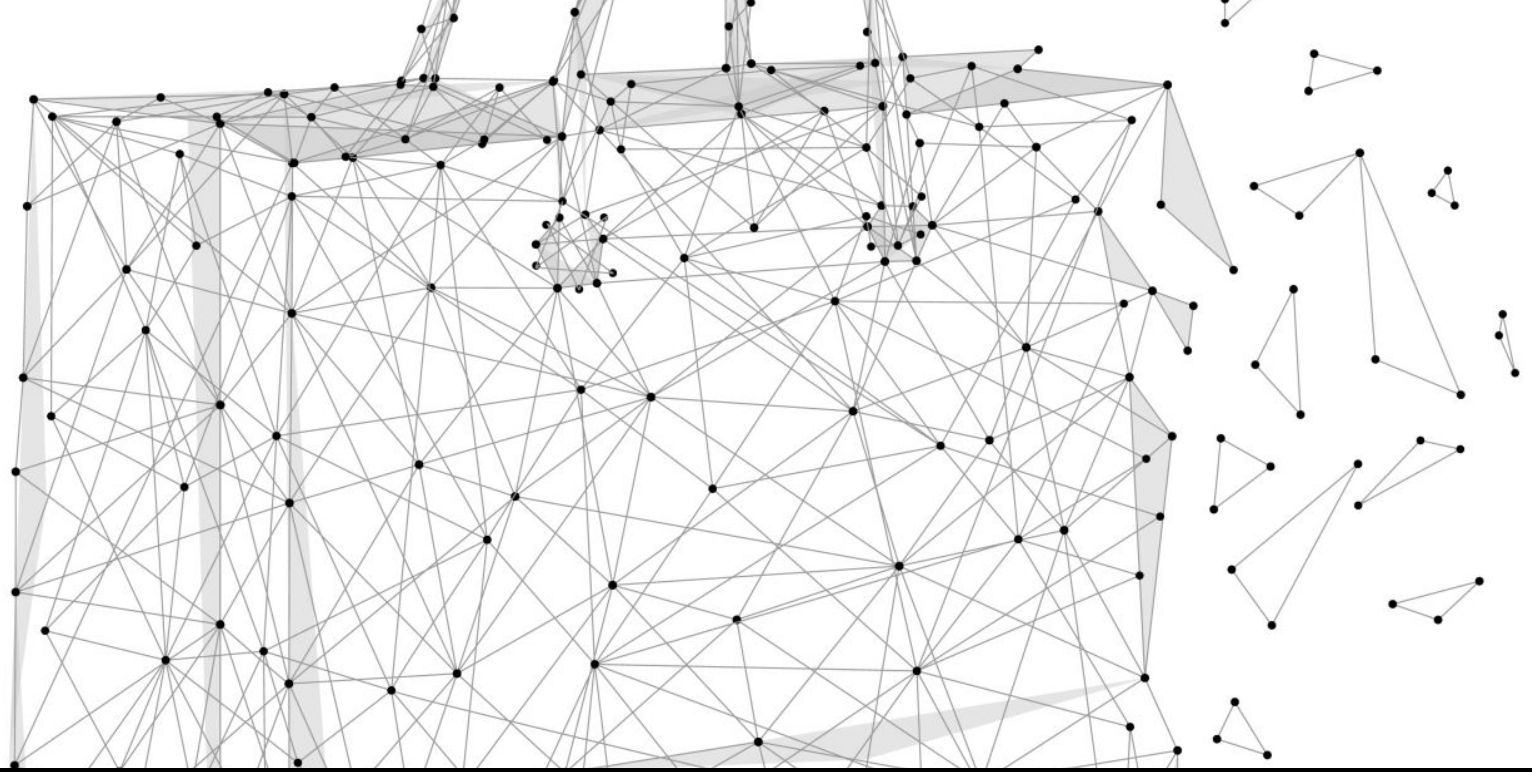
Consider

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

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ALL COTTAGE FOODS MUST BE PACKAGED AND LABELED  
ACCORDING TO SPECIFICATIONS

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CANNOT SELL UNLABELED FOOD TO CUSTOMERS

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PRE-PACKAGED

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FOOD GRADE MATERIAL

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# 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

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Considered misbranded

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

# BALANCING DISCLOSURE AND TRADE SECRETS

Recipes are not covered by patent

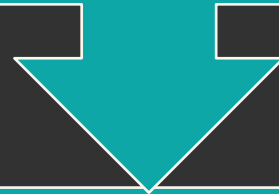
Recipes are a trade secret

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

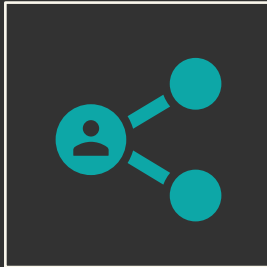
No sales to grocery stores

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



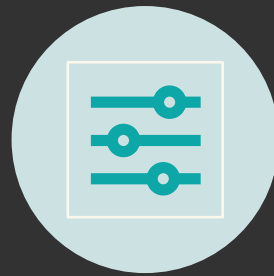
Subject to sales tax



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)

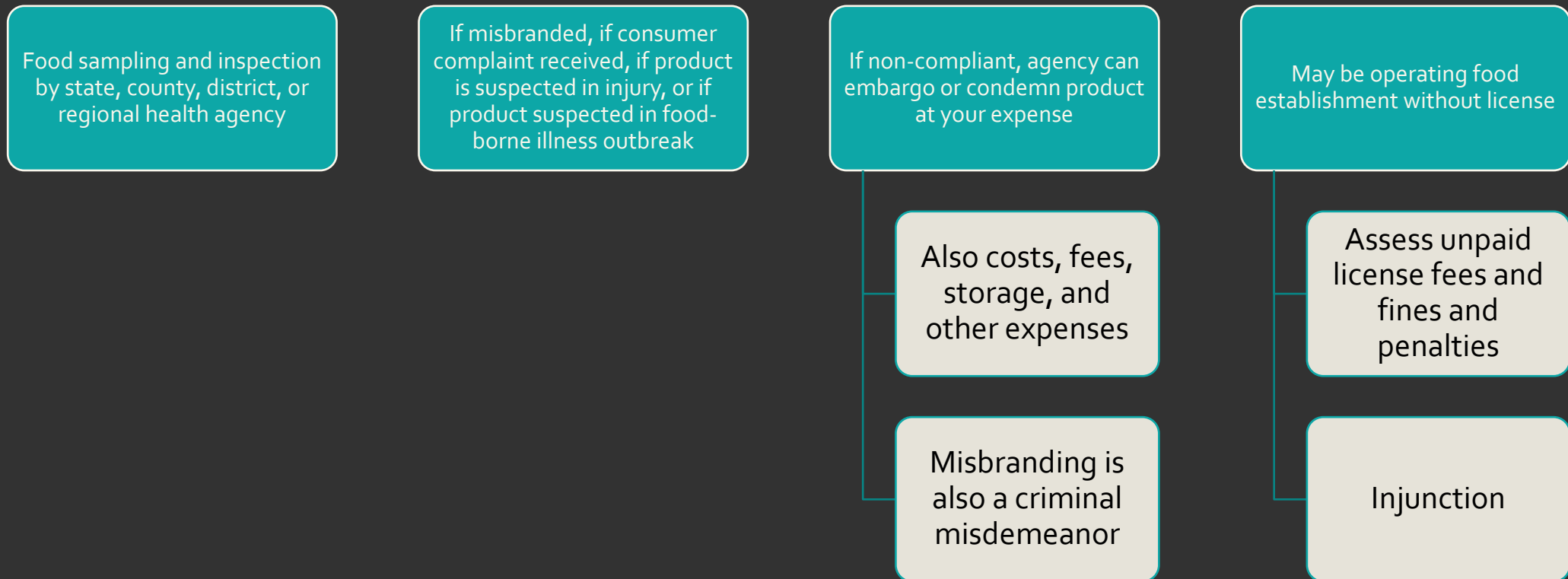
## Financial records

(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.