Cottage Food Industry: Lessons Learned from the Southeastern States

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Background

- Economic hardship.
- Farmers markets, the demand for “locally grown”.
- An emerging issue.
- Inquiries from community leaders and a state legislator.

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Problem Statement

While Georgia currently does not have cottage food regulations, the GDA has received inquiries from community leaders and a state legislator advocating to allow cottage food operations. If the GDA is going to adopt cottage food regulations, the agency needs a better understanding of the potential immediate and long-term effects of those regulations.
Methodology

- Survey of program managers over food sales and processing.
- Survey part 1: Background.
- Survey part 2: Implementation.

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Research Questions

1. If the state of Georgia is going to adopt cottage food regulations, what lessons can be learned from other states that have established such regulations?
2. What would these other states have done differently?
3. What are the strengths of these other states’ programs?
4. What are the weaknesses of these other states’ programs?
Study Population

- AFDOSS region.
- Face-to-face interviews.
- One by telephone; one by email.
Results

- Study limitations:
- Three states with new regulations.
- One state with no program.
Results

- During implementation of cottage food programs:
  - State legislature involvement.
  - Charge a license fee.
  - Require food safety instruction.
  - Several said “nothing.” One had no program.
Results

- Strengths cited by program managers:
  - Inspections and fines for noncompliance.
  - Educational requirement, product reviewal, forces collaboration with other agencies/academia.
  - Favorable public relations.
Results (continued)

• Weaknesses cited by program managers:
  – Lack of food safety.
  – Safety of inspectors.
  – Legislative mandate allowing low-acid/acidified foods.
  – Lack of resources and staffing.
  – Exemptions could create the “slippery slope.”
Conclusions

• Evaluate resources and degree of oversight.
• The issue of funding:
  – Permit fees, or
  – The legislative route.
Conclusions (continued)

• **Strengths of cottage food programs:**
  – Enhanced public relations
  – Small businesses flourish
  – Advocacy for farmers, sustainable agriculture, farm-to-fork initiatives, and
  – Controls: locations, fines, inspections, foods allowed.
Conclusions (continued)

- Weaknesses of cottage food programs:
  - Lack of food safety education
  - Home inspections are counterproductive
  - Legislative mandates allowing potentially hazardous foods.
Recommendations

• Food safety training as a prerequisite
• Annual registration and permitting, and
• AFDO’s Regulatory Guidance for Cottage Foods.

Photo courtesy of the Georgia Department of Agriculture
References


Acknowledgements

• Thanks must be given to all the staff at IFPTI. Particularly, my mentor Joe Corby, whose help on this project cannot be underestimated. The IFPTI staff deserves special recognition for the quality of instruction provided, and for the commitment to food safety they all share.

• Thanks to the Georgia Department of Agriculture. I especially thank Oscar Garrison, Division Director of the Food Safety Division, for his support of this project. I would also like to thank Natalie Adan, Program Manager of the Manufactured Foods Section and IFPTI Fellowship alumnus.

• Thanks to the AFDOSS Program Managers whose insight and candor about their cottage food programs and regulatory philosophies were integral to this project. Thank you for your participation and your willingness to help.

• Thanks to all the 2011 Fellows for their support and camaraderie.
Questions?
Survey—Part 1: Background

1. Does your agency allow home processed food to be sold? Do you permit or license a home processor? If so, do you license or permit their domestic kitchen, or do they have to have separate facilities? If no license or permit, do they have to register with your agency?

2. Are cottage foods allowed by regulation or law, or by an exemption of the license/permit process (i.e. definition of food sales establishment)? How long has the law, regulation, or exemption been in effect? (Answer may be submitted post interview via email).

3. Are the law/regulations, or any other type of guidance documents, available online? If not, will you email me copies?

4. Are there restrictions on where the products can be sold?

5. Are the cottage food processors allowed to distribute?

6. Does your agency ever perform an inspection at a cottage food establishment?

7. Does your agency obtain samples from home processors?

8. Is there a cap on the number of units a home processor can make? Or, is the cap based on the amount of sales?

9. Are there any requirements for home processors – i.e. Better Process Control School, Certified Food Manager training, pH meters, brix meters, etc?

10. Are there processing records that are required to be kept?

11. Is there a product label or point-of-sale notification required to be conspicuously displayed to identify the products as home produced?
Survey—Part 2: Implementation

12. If cottage food is allowed in your State by regulation, do you still have access to the public comments? (Answer may be submitted post interview via email).

13. Going back to your initial implementation, what would your agency have done differently?

14. What would you say is the greatest strength of your cottage food program? What is a weakness?

15. Were there any changes made to the law or regulations in subsequent legislative years after adoption? Are there currently any changes being considered?

16. Has your cottage food law or regulations been challenged through the legal system? If so, was the challenge based on food safety concerns or other issues?

17. What has been the response to the cottage food regulations? Has there been any feedback from the public? From regulated industry?

18. Does your agency have a marketing/promotions division? If so, how would you characterize the effect cottage food has had on the marketing/promotions division: no effect whatsoever, a slight effect, a considerable effect, a tremendous effect?

19. How many complaints regarding home processors does your agency receive in a year: 0 – 20, 20 – 40, 40 – 60, 60 – 80, 80 – 100, or 100+? Do you investigate every complaint? (Answer may be submitted post interview via email).

20. Has your agency done a study to determine if home processors have a higher rate of critical (FBI Risk Factor and Public Health Intervention) violations? If so, what were the results?
Survey—Part 2: Implementation

21. If your agency limits the number of home processed foods sold (either by units or by sales), how did you arrive at those amounts? Was that open to public comment? What record keeping is required to ensure the processor stays below the required limit? Is there any validation done by your agency?

22. Have there been any foodborne illness outbreaks or product recalls attributed to home processed foods in your State that you can recall?

23. Do you feel that your cottage food regulations are too lenient, too strict, or fair to both your agency and home processors?
Implementation: Question 15

• Were there any changes made to the law or regulations in subsequent legislative years after adoption?

• Are there currently any changes being considered?
  – Changes being considered:
    • Two agencies: External pressure to remove licensing and regulations
    • One agency rewriting regulations, Food Code language
Implementation: Question 16

- Has your cottage food law or regulations been challenged through the legal system? If so, was the challenge based on food safety concerns or other issues?
  - Two agencies were challenged:
    - One had to allow acidified foods
    - Sued for refusal to license
Implementation: Question 17

- What has been the response to the cottage food regulations? Has there been any feedback from the public? From regulated industry?
  - Responses:
    - Public: 4/8 responded favorably, remaining were neutral
    - Industry: “Not competition.” Do not favor expanding regulations
Implementation: Question 18

• Does your agency have a marketing/promotions division? If yes, how would you characterize the effect cottage food has had on the marketing/promotions division: no effect whatsoever, a slight effect, a considerable effect, a tremendous effect?
  – Five out of 10 have marketing:
    • No effect: 1/5
    • Slight effect: 2/5
    • Considerable effect: 1/5
    • Tremendous effect: 1/5
Implementation: Question 19

• How many complaints regarding home processors does your agency receive in a year: 0 – 20, 20 – 40, 40 – 60, 60 – 80, 80 – 100, or 100+? Do you investigate every complaint?

• Seven (7) respondents:
  – 0 – 20 Complaints: 4/7
  – 20 – 40 Complaints: 2/7
  – 40 – 60 Complaints: 1/7
  – 60+ Complaints: 0

• Four (4) of the 7 agencies: Majority of complaints from competitors
Implementation: Question 20

• Has your agency done a study to determine if home processors have a higher rate of critical (FBI Risk Factor and Public Health Intervention) violations? If so, what were the results?
  – Five (5) respondents who inspect:
    • No studies performed
Implementation: Question 21

• If your agency limits the number of home processed foods sold (either by units or by sales), how did you arrive at those amounts? Was that open to public comment? What record keeping is required to ensure the processor stays below the required limit? Is there any validation done by your agency?
  – Five (5) respondents limit sales:
    • Industry input: 2/5
    • Legislature assigned: 2/5 (1 had public comment)
    • Academia/Regulatory: 1/5
Implementation: Question 22

Have there been any foodborne illness outbreaks or product recalls attributed to home processed foods in your State that you can recall?

• Ten (10) respondents:
  • No recalls or outbreaks recalled at time of interview
Implementation: Question 23

Do you feel that your cottage food regulations are too lenient, too strict, or fair to both your agency and home processors?

- 10 Respondents: