



# Cottage Food Reform in Minnesota

Minnesota cottage food producers sell homemade, shelf-stable food like bread, cookies, and jams. Minnesota's cottage food industry has grown in recent years. Today, there are more than 4,000 cottage food producers in the state.

Cottage food helps farmers and creates jobs, especially in rural communities and small towns. Many people sell cottage food to provide for their families and to start and grow their businesses. During the pandemic, selling cottage food has also provided a lifeline for Minnesotans who are out of work.

## The Problem

Minnesota places arbitrary restrictions on cottage food sales that are not tied to food safety. These restrictions keep producers from earning a living wage and growing their businesses. The state caps a cottage food producer's gross sales at \$18,000. The state also limits the types of businesses cottage food producers can be, which makes it difficult for farmers to use the cottage food law and exposes producers' personal assets to liability. Removing these needless restrictions will make it easier for Minnesota's home-based food entrepreneurs to work and succeed.

## The Legislation

- Raises the \$18,000 gross sales cap to \$78,000 so producers can earn a living wage.
- Allows producers to organize their businesses.
- Requires the highest level of safety training (Tier II) for all producers and makes the training available in Hmong, Spanish and Somali languages.
- Codifies the Minnesota Department of Agriculture's policy of allowing cottage food producers to provide their business address on their products to protect producers' safety.
- Allows cottage food producers to sell homemade pet treats.
- Requires a \$25 registration fee to give MDA funding to administer the law.

# Facts about the Regulation of Cottage Food

- Minnesota is the only state in the country that allows cottage food sales but prevents cottage food producers from organizing their businesses as LLCs.
- Minnesota already allows cottage food producers to be sole proprietorships and to have employees.
- More than half of the states in the country, including North Dakota and Wisconsin, do not have a gross sales cap for cottage food producers. Other states have much higher gross sales caps for cottage food producers.

## Legislation supported by:

Minnesota Cottage Food Producers Association

The Minnesota Farmers' Market Association

Institute for Justice

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