

Proposed Fees for Cottage Food Operations



Fees to cover the costs associated with
administration and oversight of
Cottage Food Operations

What is a Cottage Food Operation?

- *Cottage Food Operations* were established by CA Homemade Food Act of 2012 (AB 1616) to:
 - Promote creation of new small businesses
 - Allow the preparation of certain low risk (non-potentially hazardous) foods in home kitchens
 - Establish a list of allowed foods in statute



AB 1616

- 2 -

CHAPTER _____

An act to add Chapter 6.1 (commencing with Section 51035) to Part 1 of Division 1 of Title 5 of the Government Code, and to amend Sections 109647, 110050, 110460, 111955, 113789, 113851, 114021, 114023, 114390, 114405, and 114499 of, to add Sections 113758 and 114068 to, and to add Chapter 11.5 (commencing with Section 114365) to Part 7 of Division 104 of, the Health and Safety Code, relating to food safety.

LEGISLATIVE COUNSEL'S DIGEST

AB 1616, Gatto, Food safety: cottage food operations.
Existing law, the Sherman Food, Drug, and Cosmetic Law (Sherman Law), requires the State Department of Public Health to regulate the manufacture, sale, labeling, and advertising activities related to food, drugs, devices, and cosmetics in conformity with the Federal Food, Drug, and Cosmetic Act. The Sherman Law makes it unlawful to manufacture, sell, deliver, hold, or offer for sale any food that is misbranded. Food is misbranded if its labeling does not conform to specified federal labeling requirements regarding nutrition, nutrient content or health claims, and food allergens. Violation of this law is a misdemeanor.
The existing California Retail Food Code provides for the regulation of health and sanitation standards for retail food facilities, as defined, by the State Department of Public Health. Under existing law, local health agencies are primarily responsible for enforcing the California Retail Food Code. That law exempts private homes from the definition of a food facility, and prohibits food stored or prepared in a private home from being used or offered for sale in a food facility. That law also requires food that is offered for human consumption to be honestly presented, as specified. A violation of these provisions is a misdemeanor.
This bill would include a cottage food operation, as defined, that is registered or has a permit within the private home exemption of the California Retail Food Code. The bill would also exclude a cottage food operation from specified food processing establishment and Sherman Law requirements. This bill would require a cottage food operation to meet specified requirements

What is a Cottage Food Operation?

- *Cottage Food Operations (CFO)* include:
 - Limited governmental oversight/regulation
 - Total annual sales limited to:
 - \$35,000 yr. 1
 - \$45,000 yr. 2
 - \$50,000 yr. 3 and beyond
 - Maximum of 1 FTE employee



Examples of Foods Allowed

- Baked goods w/o cream, custard, or meat fillings
- Candy, (e.g. brittle, toffee)
- Chocolate-covered nonperishable foods (e.g. nuts and dried fruit)
- Dried pasta, dry baking mixes
- Fruit pies, fruit empanadas, and fruit tamales
- Granola, cereals, trail mixes
- Herb blends, dried mole paste
- Honey, sweet sorghum syrup
- Jams, jellies, preserves, fruit butter
- Nut mixes, nut butters
- Popcorn
- Vinegar, mustard
- Roasted coffee, dried tea
- Waffle cones and pizzelles



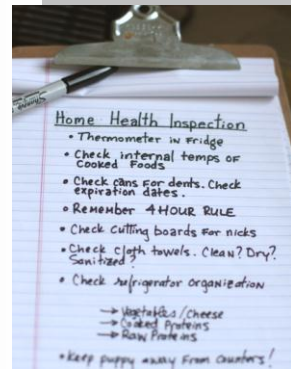
Types of Cottage Food Operations

Class A

- Direct sales only (from CFO direct to consumer)
- Must register and complete self certification checklist
- No regular inspection
 - EHS may inspect in response to complaint
 - EHS may collect fees to cover inspection cost if a violation is found

Class B

- Direct and indirect sales
 - CFO direct to consumer and CFO to a middle man then to consumer
- Permit required
- Pre-opening inspection required
- No more than one regular inspection annually



Proposed Fees

Class A

- No fee due to minimal staff work
- Must complete online registration
- Experience may lead to reconsideration



Class B

- \$292 annual fee
- Same fee for other facilities selling only prepackaged, non-potentially hazardous food with similar level of risk
- Experience may lead to reconsideration

Fee Comparison

Benchmark Counties	Class A Registration	Class B Permit	Hourly Rate
Proposed SB County	\$0	\$292	\$136
Sonoma	\$139	\$348	\$139
Monterey	\$65	\$260	\$119
Tulare	\$175	\$291	\$116
Placer	\$80	\$260	\$160
Solano	\$96	\$316	\$128
San Luis Obispo	\$99	\$198	\$99
Marin	\$108	\$276	\$109
Average	\$95	\$280	\$126



Thank you.

Questions?