

WHAT YOU NEED TO KNOW TO LAUNCH YOUR HOME-BASED FOOD BUSINESS







THE
UNIVERSITY
OF RHODE ISLAND
DIVISION OF RESEARCH
AND ECONOMIC
DEVELOPMENT





# A BRIEF HISTORY



RI is the last state to allow the licensing of cottage food businesses



Community and advocate support helped shape the final law



License applications opened in November 2022

## RI COTTAGE FOOD TOP 3 FACTS

Restricted to non-hazardous baked goods, defined as:

Baked goods that do not require refrigeration or time/temperature control for safety, including but not limited to:

Double crust pies Yeast breads Biscuits
Brownies + Cookies Muffins Cakes

Other goods as defined by the department.

- Sales direct to consumers only Wholesale not permitted
  - Additional permits required to sell at farmers markets + events
- Earnings capped at \$50k per year

# THINGS TO CONSIDER – DOES MY KITCHEN MEET THE MINIMUM REQUIREMENTS

Food products shall be produced in a kitchen that is on the premises of a home and meets the standards for kitchens as provided for in minimum housing standards

Either a two (2) compartment sink or a dishwasher that reaches one hundred fifty (150) degrees Fahrenheit after the final rinse and drying cycle and a one compartment sink

Have drain boards and food preparation surfaces that shall be of a nonabsorbent, corrosion resistant material such as stainless steel, Formica or other chip resistant, nonpitted surface

If the home is on private water supply, the water supply must be tested once per year

Pets are kept out of food preparation and food storage areas at all times

# THINGS TO CONSIDER — DOES MY KITCHEN MEET THE MINIMUM REQUIREMENTS

Cooking facilities shall not be used for domestic food purposes while farm home food products are being prepared

Garbage is placed and stored in impervious covered receptacles and must be removed at least once per day

Any bathroom that opens directly into the food preparation area must have a self-closing door

Any laundry facilities which may be in the kitchen shall not be used while manufacturing

Recipe(s) for each cottage food product with all the ingredients and quantities listed, and processing times and procedures, are maintained in the kitchen for review and inspection

# OTHER THINGS TO CONSIDER



Are there any outside restrictions – Lease/HOA or Zoning



Insurance – Any challenges with renters and/or homeowners

# WHAT ARE MY OPTIONS IF I DON'T MEET THE STANDARDS?

What alternative is there to using my home kitchen if my kitchen does not meet the requirements?

- Cottage food products may also be produced in a commercial kitchen licensed by RIDOH that is leased or rented by the applicant as long as a record of the dates the commercial kitchen is used is maintained; and
- Ingredients used in the production of the cottage foods are transported according to applicable food safety standards and RIDOH regulations.

# REMEMBER, IT'S A BUSINESS!

Decide on entity type – Sole Proprietor, LLC, Other type

Keep financials separate from personal – Open a business bank account + apply for an EIN

The law requires makers to register with the <u>Department of Taxation + Apply for Sales Permit</u> – May also be required to register with the state and/or city/town depending on entity type. (Bonus – It allows you to purchase ingredients at wholesale pricing)

Register your **Doing Business As** - DBA

## BASIC REQUIREMENTS FOR APPLICATION

- Proof of completed Food Safety Certification or Food Handler Training
- Menu List of products
- Labels for each menu item
- Notarized affidavit that kitchen meets the requirements
- Sketch of the property detailing cottage food kitchen dwelling, private well (if not municipal system), and septic disposal system (if not municipal or public water system), indicating distance between well and septic, along with copy of well test results

#### FOOD HANDLER CARD VS. FOOD SAFETY MANAGER CERTIFICATION

#### **FOOD HANDLER CARD**

- BASIC FOOD SAFETY KNOWLEDGE
  - FOOD PREPARERS
  - FOOD SERVERS
- TOPICS COVERED:
  - FOOD CONTAMINATION
  - ALLERGEN TRAINING
  - BASIC PERSONAL HYGIENE
- 2.5 HOUR COURSE
- 40 QUESTIONS
- PASSING GRADE 75%
  - FOOD HANDLER CARD

#### **FOOD SAFETY MANAGER CERTIFICATION**

- EXTENSIVE KNOWLEDGE OF FOOD SAFETY
  - MANAGEMENT TEAM
  - OWNERS & CHEFS
- TOPICS COVERED:
  - " BIG SIX" SICKNESSES
  - FACILITIES & MAINTENANCE
  - ACTIVE MANAGERIAL CONTROL
- 8 HOUR COURSE
- 90 QUESTIONS
- PASSING GRADE 70%
  - CERTIFICATION-ACCREDITED BY THE AMERICAN NATIONAL STANDARDS INSTITUTE(ANSI)
  - NATIONALLY RECOGNIZED

#### **REQUIREMENTS & RESOURCES**

#### **EVENTS + COMMUNITY KITCHENS MAY REQUIRE FOOD SAFETY MANAGER CERTIFICATION**

#### **COMMUNITY KITCHENS**

- MILLRACE, WOONSOCKET
- GENESIS CENTER, PROVIDENCE
- HOPE & MAIN, WARREN
- TOWNMADE, WAKEFIELD

#### **COMMUNITY ORGANIZATIONS**

- CHURCHES
- LODGE CLUBS

#### **EVENTS**

- FOOD MARKETS
- COMMUNITY EVENTS

#### TRAINING RESOURCES

RI HOSPITALITY ASSOCIATION

#### WWW.RIFOODSAFETY.ORG

- PUBLIC CLASSES
- PROCTORING FOR EXAM
- SERVSAFE

#### WWW.SERVSAFE.COM

- ONLINE CLASSES
- RI DEPARTMENT OF HEALTH

WWW.HEALTH.RI.GOV

### MENU – BEST PRACTICES

- Create a menu that is easy to read and understand
  - Will be submitted with license application
- Write a recipe card for each menu item, including:
  - Ingredients + Components (also need recipe card)
  - Yields
  - Method of Preparation
  - This must be kept in kitchen and be available for review
- Collect all receipts and determine the COGS for each item
  - Helps set sales pricing
  - Important come tax time

### LABELS – BEST PRACTICES

Labels for each menu item will be submitted with license application and must include:

- Name, address, and telephone number
- The ingredients of the product, in descending order of predominance by weight or volume
- Allergen information, as specified by federal and state labeling requirements, such as milk, eggs, tree nuts, peanuts, wheat, and soybeans

# LABELS – BEST PRACTICES, CONTINUED

The following statement printed in at least ten-point type in a clear and conspicuous manner that provides contrast to the background label:

"Made by a Cottage Food Business Registrant that is not Subject to Routine Government Food Safety Inspection"

Doesn't apply if products have been prepared in a commercial kitchen licensed by the department

### LABELS – EXAMPLE

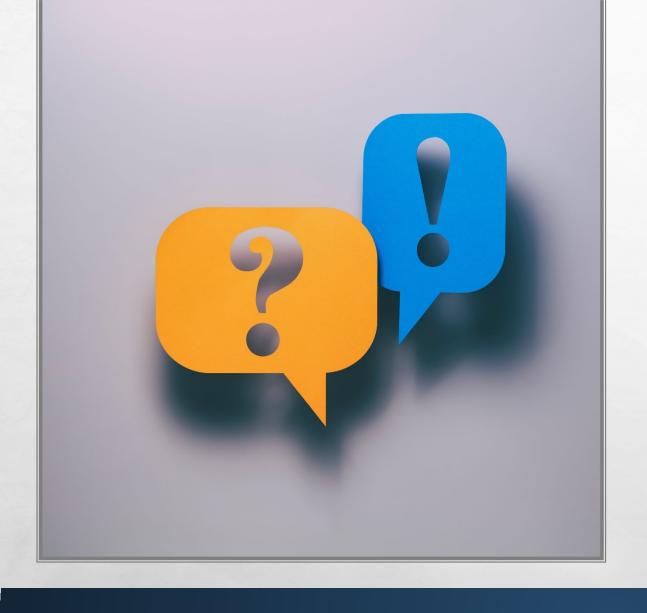
Better Than Your Mama's Chocolate Chip Cookies
Finally Legal Cookies, LLC
2200 Millionaire Drive
Warwick, RI 02888
401-555-0101

Ingredients: Unbleached Wheat, organic unsalted butter (milk), chocolate chips (sugar, chocolate liquor, cocoa butter, butterfat (milk), walnuts, sugar, eggs, salt, organic vanilla extract, baking soda.

Contains: Wheat, eggs, milk, walnuts

Net Wt. 3 oz.

MADE IN A COTTAGE FOOD OPERATION THAT IS NOT SUBJECT TO ROUTINE GOVERNMENT FOOD SAFETY INSPECTIONS



#### QUESTIONS + ADDITIONAL RESOURCES

- COTTAGE FOOD BUSINESS APPLICATION
- RI DEPARTMENT OF HEALTH <u>COTTAGE FOOD FAQ</u>
- RI SECRETARY OF STATE <u>HOW TO REGISTER YOUR</u> <u>BUSINESS</u>
- RI HOSPITALITY ASSOCIATION <u>FOOD SAFETY</u>
  <u>TRAINING</u>

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