

Frequently Asked Questions About Cottage Food Manufacturing in Rhode Island

Cottage food is food that is made in your home for direct sale to consumers. For safety purposes, Rhode Island General Laws § 21-27-6.2 sets limits on what you may sell in the State of Rhode Island. Cottage food operators in Rhode Island will be able to register as a Cottage Food Manufacturer starting in November 2022 and will be able to sell once their registration is approved. Cottage food must be held to the highest safety standards, and production and sales practices must follow laws and regulations of the State of Rhode Island.

What is cottage food manufacturing?

Cottage food manufacturing refers to producing food in a residential kitchen that will be sold directly to the consumer. Under Rhode Island General Laws § 21-27-6.2, only certain foods can be produced and sold, and the residential kitchen used to prepare the food must meet certain requirements. The Rhode Island Department of Health (RIDOH) reviews and approves Cottage Food Manufacture registration applications.

Can I make food in my home for sale to the public?

Yes. Only certain foods can be made in a residential (or home) kitchen and sold to the public. Your kitchen must meet the requirements of the Cottage Food Manufacture sections of the law. Starting in November of 2022, you can apply to be a registered Cottage Food Manufacture by filling out a Cottage Food Manufacture application on health.ri.gov and submitting it to RIDOH for approval.

What should I be aware of before I apply to register as a Cottage Food Manufacture with RIDOH?

- You may want to contact your city or town to determine if your space is compliant with local zoning requirements, or if you plan to do any renovations you may need to obtain the necessary building permits. You should keep written records of any zoning or building approvals.
- Depending on how you decide to organize your business structure, you may need to register your business with your local municipality and/or with the Rhode Island Department of State, Secretary of State's office. Contact as necessary.
- You must complete a food safety training program.
- You may need to fill out a <u>Business Application and Registration form</u> (also known as the "BAR" form) with the Rhode Island Division of Taxation to obtain a Retail Sales Tax permit as well as for other taxes and permits that may be required.
- Your kitchen must meet certain requirements for cottage food manufacturing to be allowed.
- If a private well is used, the well water must be tested annually for total coliform bacteria, E. Coli, and nitrates. You must submit a water analysis prior to approval and annually thereafter. It's important to use safe drinking water when serving consumers.

Selling Homemade Food as a Registered Cottage Food Business

What products can I make at home?

Cottage Food Manufactures are only allowed to make and sell baked goods that do not require refrigeration or time/temperature control for safety, such as the following:

- Double crust pies or single crust fruit pies;
- Yeast breads:
- Biscuits, brownies, cookies, muffins; and
- Cakes that do not require refrigeration or temperature-controlled environment.

If you have a question about if a specific food item can be produced by a cottage food manufacturer, please contact RIDOH Center for Food Protection at 401-222-2749.

All products must be appropriately labeled.

What if there is something I want to make that is not on the list like buttercream frosting that needs to be refrigerated?

Frosting and items that are refrigerated for quality purposes but not for food safety reasons will be allowed.

What information is required to be on the label?

The following items are required for each product label.

- Business name, address, and telephone number;
- The ingredients of the cottage food product in descending order of predominance by weight or volume (e.g., highest volume or weight ingredient should be listed first);
- Allergen information, as specified by federal and state labeling requirements. If any of the major allergens are in your product, such as milk, eggs, tree nuts, peanuts, wheat, and soybean, they must be listed on the label; and
- The following statement printed in at least ten-point type in a clear and conspicuous manner that stands out from the background color or pattern of the label for any food produced in a residential kitchen:
 - "Made by a Cottage Food Business Registrant That is Not Subject to Routine Government Food Safety Inspection."

This statement is not required if products were prepared in a commercial kitchen licensed by the department.

Who can I sell to and where can I sell food as a registered cottage food business?

Cottage foods can be sold directly to consumers via pick up or delivery within the state by the registrant or designee. You cannot sell to any entity who resells the product like grocery stores or restaurants. Cottage food items cannot be sold to long-term care facilities, group homes, day cares, or schools.

To be a vendor at a farmers market or at a temporary event like a festival, you will also need a **retail food peddler license**. One license can be used for all farmers markets and temporary events regardless of the location, and the license is renewable annually.

How to Become a Registered Cottage Food Manufacture

How do I become a registered Cottage Food Manufacture?

To become a registered Cottage Food Manufacturer, you must provide the following to RIDOH:

- A completed Cottage Food Manufacture application for registration;
- A notarized <u>affidavit of compliance form</u> that documents compliance with all the requirements for the kitchen (included in the application);
- If your water is from a private well, the water must be tested for total coliform, E Coli, and nitrates and the test results should be submitted with your registration application to RIDOH.
- Record of successfully completing a food safety manager training course, any American Standards Institute approved food handler course, or any other course approved by RIDOH;
- A list of products that you will make and their recipes, including ingredients, processing steps, and product labels; and
- \$65.00 registration fee payable to the General Treasurer of Rhode Island.

What are the requirements for my home kitchen to be registered as a Cottage Food Manufacture?

The residential kitchen must meet the standards for kitchens as provided for in minimum housing standards (Rhode Island General Laws-45-24.2-24.3) and in addition:

- Be equipped at minimum with either a two-compartment sink or a dishwasher that reaches 150 degrees Fahrenheit after the final rinse and drying cycle and a one-compartment sink;
- Have sufficient area or facilities, such as portable dish tubs and drain boards;
- Have drain boards and food preparation surfaces that are nonabsorbent and made of corrosion-resistant material such as stainless steel, laminate, or another chip-resistant, nonpitted surface; and
- Have self-closing doors for bathrooms that open directly into the kitchen.

What are the requirements when preparing cottage manufactured foods in my home kitchen?

To ensure safe food, the following are required:

- The kitchen used to prepare food must be registered as a Cottage Food Manufacture.
- Pets are kept out of food preparation and food storage areas at all times.
- Cooking facilities shall not be used for domestic food purposes while cottage food products are being prepared.
- Garbage is placed and stored in impervious covered receptacles and removed at least once each day that the kitchen is used for cottage food manufacturing.
- Any laundry facilities which may be in the kitchen shall not be used during cottage food manufacturing.

What if I have a private water system (well)?

If your water is from a private well, the water must be tested once per year for total coliform, E Coli, and nitrates. You must submit a water analysis prior to approval and annually thereafter. Contact the RIDOH Center for Drinking Water Quality for more information.

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.

What kind of training is required to get registered as a Cottage Food Manufacture?

You are required to successfully complete and pass food safety training such as the Food Safety Manager Course or any American Standards Institute-<u>accredited food handler course</u>.

How to Operate a Registered Cottage Food Manufacturing Business

Is there a dollar limit to how much money I can make?

Yes, total annual gross sales for a cottage food operation shall not exceed \$50,000.00 per calendar year. If annual gross sales exceed the maximum annual gross sales amount allowed, the cottage food registrant must obtain a food processor license from RIDOH or cease operations.

Do I have to keep sales records?

Yes.

How much will it cost to get a cottage food manufacture registration?

It will cost \$65.00 annually.

How long is the registration good for?

The registration is good for one year from the date of issuance.

Rhode Island Division of Taxation Requirements

Do I have to collect sales tax on cottage food sales?

Generally, double crust pies, yeast breads, biscuits, brownies, cookies, muffins, and cakes that do not require refrigeration are exempt from sales tax under Rhode Island General Laws § 44-18-30(9) as long as they are not sold with utensils. If the seller is an eating and drinking establishment, the seller is subject to additional taxation requirements.

If you have specific questions regarding the taxability of any items, please feel free to contact the Division of Taxation's Excise Tax Section at 401-574-8955 or via email tax.excise@tax.ri.gov.

Do I need to register with the Division of Taxation?

You will need to fill out a Business Application and Registration form (also known as the "BAR" form) with the Rhode Island Division of Taxation to obtain a Retail Sales Tax permit as well as other taxes and permits that may be required. The BAR is available through the <u>Division</u> of Taxation's website.

Please note:

- The Retail Sales Tax permit is an annual license that must be renewed every year and expires every June 30.
- Each location where cottage food sales occur must have its own Retail Sales Tax permit. That is, if your business expands and you open a second location, you must obtain a new permit for the new location.
- Also, if the ownership or structure of the business changes (for example, if a sole proprietorship becomes a partnership or corporation), a new permit is required.

What will I need to do to remit sales tax to the Division of Taxation?

The Division of Taxation recommends that all taxpayers who are able to file and pay electronically do so. The Division's Taxpayer Portal (https://taxportal.ri.gov) offers a convenient and easy way to file and pay. The Taxpayer Portal enables advanced payment scheduling and allows users to check compliance across all tax accounts.

The Division of Taxation has additional frequently asked questions <u>on sales tax</u> and <u>on meals</u> and <u>beverage tax</u>.

Resources

Statute: Rhode Island General Laws § 21-27-6.2. Cottage food manufacture

Regulation: Rhode Island Food Code (216-RICR-50-10-1)

For RIDOH-related questions, contact the Center for Food Protection at 401-222-2749.

For private well testing information, see RIDOH Center for Drinking Water Quality.

For questions about how to set up your business structure and other start-up support, contact Rhode Island Commerce Corporation, Client Services at 401-278-9100 or info@commerceri.com.

Helpful resources from the Secretary of State: Business Services and Business Basics.

Concerns related to a home onsite wastewater (septic) system (OWTS):

Depending on the nature and volume of the food products that will be produced for sale, there may be adverse effects to the existing onsite wastewater system serving your home.

For instance, adding significant bakery wastewater can increase the total volume discharged, and may also increase the organic strength of the wastewater discharged to the drain field, leading to the possibility of accelerated system failure. You may want to consult with an engineer to evaluate the adequacy of the home system to handle additional wastewater loading prior to initiating production. Modifications to the existing system may be necessary.

For questions about OWTS, contact Rhode Island Department of Environmental Management OWTS Program staff at DEM.OWTS@dem.ri.gov or 401-222-3961, or visit www.dem.ri.gov/septic for guidance.