

April 24, 2023

House Committee on Economic Development & Small Business

RE: SB 643: Relating to food establishments in residential dwellings

SUPPORT TESTIMONY

Dear Members of the House Committee on Economic Development & Small Business:

In 2016 SB320 passed that legalized food preparation and public distribution of baked goods and confectionary items in residential dwellings (616.723). This opened the door to hundreds of small businesses in Oregon that are generating revenue and value for their communities through *real*, ethical (non processed) baked goods. Today, all states have a cottage food law. I'm a self-taught sourdough bread baker who found my passion and re-discovered purpose and joy during the the Lockdown 2020. In June 2021, I started my cottage food business and began selling my bread from my porch. Word spread and my business exploded. I've even been featured on the local TV and was a guest speaker on the cottage food podcast Forrager. While this is promising, **Oregon's Cottage Food Law is not and is lagging behind most other states in gross sales limit and other allowances.**

I enjoy being an independent CFO (cottage food operator), having the ability to work from home, provide supplementary income for my family, and bring joy to my community—viable solutions to many challenges and problems we're facing as a result of the COVID pandemic, inflation, supply shortages, etc. My dream is to grow my operation, but the **\$20k/year gross sales limit, inability to sell over the Internet (engage in e-Commerce/Online Sales), mail my baked goods, or engage in wholesale to retailers** make this dream unattainable. These restrictions have nothing to do with health and safety. As a matter of fact, a 2020 article by Forbes reported that there have [never been any known public health foodborne outbreaks](#) from a cottage food product in any state.

The updates to our law is an opportunity to support small businesses and local economies, in particular during an historically difficult time for all businesses and consumers.

Please let me know if you have any questions about the changes we are proposing, or the cottage food industry in general. Thank you for considering!

Respectfully,

/s/Jennifer R. Berg

Jennifer R. Berg

Attachment

STATS FOR OREGON COTTAGE FOOD AMENDMENT

A. \$20k per year gross annual sales cap is below poverty wage.

- a. Since Oregon's Cottage Food Law went into effect in 2016, [the Consumer Price Index has increased by 25.27%](#). The current sales limit would already have increased to \$25,055 due to inflation since 2016.
- b. [32 states](#) + DC allow unlimited sales (AL, AZ, AK, DC, GA, HI, ID, IL, IN, IA, KS, KY, ME, MA, MT, NE, NH, NM, NY, NC, ND, OH, PA, RI, SC, SD, TN, UT, VT, VA, WV, WI); also, Wyoming allows \$250k of sales. September 16th, 2021, California's governor signed [AB 1144](#) that increased sales limit to \$150k.

B. Allow CFOs to sell indirectly to retailers, such as shops and grocery stores, as long as the retailer puts the homemade food products on a separate shelf from other food and uses clear labeling that the food is homemade and not subject to inspection.

- a. [18 other states + DC](#) allow indirect sales (AZ, DC, IA, LA, ME, MD, MA, NH, NC, OH, OK, PA, RI, TN, UT, VA, WV, WY)

C. Allow all sales directly to the consumer online and through the mail.

- a. [28 other states](#) allow Mail Order (AL, AZ, AR, CA, CO, FL, ID, IL, IN, IA, KS, ME, MD, MO, NE, NM, NY, OH, OK, PA, RI, SC, TN, UT, VT, VA, WV, WI)
- b. [43 states + DC](#) allow Online Sales (AL, AZ, AK, CA, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MN, MO, MT, NE, NH, NJ, NM, NY, NC, OH, OK, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY).

Other CFO Facts:

- [Nationwide 2017 study](#) shows that:
- 83% of CFOs are women-owned businesses
- 55% of CFOs are rural, despite 81% of population being non-rural

- 49% sell at farmers markets

There have [never been any known public health foodborne outbreaks](#) from a cottage food product in any state ([49 states](#) have a cottage food law)