

Dear Chair Lyons,

We have long been hearing from members and the community about the need to update Vermont's Cottage Food laws, particularly the outdated and limited income caps for cottage food manufacturers operating below licensing requirements. Food manufacturing businesses are defined in 18 V.S.A. § 4301 (a) (7) as "all buildings, rooms, basements, cellars, lofts, or other premises or part thereof used, occupied, or maintained for the purpose of manufacturing, preparing, packing, canning, bottling, keeping, storing, handling, serving, or distributing food for sale." Those who bake or manufacture foods from home are exempt from licensing requirements with the Department of Health when they sell less than a specific annual dollar amount. Currently, someone who adds value to raw agricultural products in their home kitchen needs a license when their gross annual sales exceed \$10,000. Similarly, home bakers need licensing when they exceed \$6,500 in gross annual sales. H. 401 proposes to update these income thresholds for the licensing requirements of these so-called cottage food producers to \$30,000 gross annual sales.

Increasing the income caps for cottage food producers is one of our board's policy priorities and we support H.401 as passed by the House.

The Department of Health (DOH) provided testimony on April 16 (recording [here](#)) with suggested changes to the bill that would create a different category of cottage foods for potentially more hazardous foods, specifically: canned foods like pickles, other fermented foods, hot sauces and any other sauce. The DOH suggests that producers of such canned foods should undergo a virtual training at no cost and that the income cap for those exempt products should not be raised above the current cap of \$10,000.

Under current law, cottage food manufacturers need to go through the Department of Health to claim that they're qualified for the exemption from licensing requirements. The broad definition of "Food manufacturing businesses" is inclusive of canned foods such as pickles and sauces and they are exempt from licensing below the income cap of \$10,000. However, producers may need to provide documentation of their production process as required by rule. For example, the Department of Health may ask producers of low-acid canned foods or acidified foods to provide documentation to show there are no biological concerns with the food production process (reference Manufactured Food Rule [here](#)).

We believe that the recommendation of the DOH would infringe upon food manufacturing businesses that have been producing pickled and fermented farm foods as a traditional preservation method to feed their communities. Rural Vermont recognizes food borne illnesses as potentially hazardous but the DOH did not reveal to the Senate Committee on Health and Welfare in their April 16, 2025, testimony what they did include in their testimony to the House Committee on Agriculture, Food Resiliency and Forestry on March 12, 2025,

regarding H.401 - that all recent cases of food borne illnesses they are aware of stemmed from catering businesses licenced by the Department of Health and not from cottage food producers or fermented foods specifically.

Producers of fermented foods and sauces also deserve to have the inspection income threshold raised to allow them to diversify their farm businesses, increase food access, and strengthen the agricultural economy. It should not be a policy of the State to incentivize the local production of sugary preserves over fermented and canned foods.

We very much would appreciate the committee moving this bill as passed by the House. Please feel free to invite us and our members to provide oral testimony on this bill if there's time.

Respectfully,

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