



TO: Members of the Assembly Committee on Small Business Development
 FROM: Zach Herrstadt, Wisconsin Farmers Union – (608)234-3741;
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 DATE: November 11, 2015
 RE: Assembly Bill 417/Senate Bill 330, Relating to Homemade Baked Goods

My name is Zach Herrstadt and I am the Government Relations Associate for Wisconsin Farmers Union. I'd like thank you for the opportunity to share comments on AB-417, relating to non-hazardous homemade baked goods. This common-sense bill would allow home-based food entrepreneurs to sell their non-hazardous baked goods via face-to-face sales, without needing a commercial license or commercial kitchen. AB-417, also known as the "Cookie Bill" builds on the successful track record of the "Pickle Bill," which passed the legislature in 2010 by supporting aspiring food entrepreneurs and serving as an on-ramp for new business development. For these reasons, Wisconsin Farmers Union supports this bill and urges you to pass it through committee.

Background

In 2010, the Wisconsin State Legislature enacted a new law enabling individuals to prepare some high-acid, home-canned foods such as pickles, jams, and salsas in home kitchens and sell them to the public in certain settings like farmers' markets. This law, often referred to as the "Pickle Bill," supports a national trend toward such cottage food legislation, removing prohibitively burdensome barriers to aspiring entrepreneurs to produce non-hazardous food in home kitchens for limited sale while still maintaining food safety.

Issue & Need

While the Pickle Bill is a strong step in the right direction, it is limited to high acid foods. Oddly, Wisconsin is the **only** state with cottage food legislation that **does not** include baked goods. At least 25 states nationwide have passed such cottage food laws with nearly all states including provisions for the production of non-hazardous baked goods such as cakes, cookies, and baking mixes produced in home kitchens. Almost all of these states also allow higher gross sales caps to encourage small business innovation and enterprise growth that may result in a scaled up business down the line that leads to additional job creation. All other Midwest states have successfully enacted versions of the Cookie Bill, including Illinois, Iowa, Michigan, Minnesota and Indiana with no reported cases of related food safety violations.

Annual gross sales caps within similar legislation in surrounding states*

	Cookie Bill Equivalent	Annual Gross Sales Cap
Illinois	YES	\$25,000
Indiana	YES	Unlimited
Iowa	YES	Unlimited
Michigan	YES	\$20,000
Minnesota	YES	\$18,000
Wisconsin	NO	\$7,500 (proposed)

*Information in this table from *forrager.com*



Key reasons why AB-417 is needed

1. Builds on the success of the Pickle Bill

Since its enactment in 2010, numerous businesses have registered with DATCP to sell their high-acid goods, generating new small business revenue at virtually no additional cost to the state budget. Wisconsin food entrepreneurs, especially family farmers currently selling under the Pickle Bill, miss opportunity by not being able to sell baked goods.

2. Supports New Entrepreneurial Start-Ups and Adds Value to Existing Ones

The Cookie Bill would enable talented home bakers to launch and test their business on a small scale before needing to invest in the expense of a commercial operation. Additionally, this new legislation would enable other existing Wisconsin businesses, such as bed & breakfasts, to expand sales without additional costs.

3. Builds Rural Economic Revitalization

The Cookie Bill would particularly stimulate entrepreneurship in rural economies by enabling farmers to launch complimentary, food-based businesses. Industry standards for mark-up on high-quality baked goods provide a 50-percent profit margin or more. Other states with variations of this legislation in place have experienced such economic gain.

4. Low Food Safety Risk

In surveying cottage food legislation in other states and industry experts, the general consensus is that non-hazardous baked goods present a much lower risk of food-borne illnesses than other food categories.

5. Supports Wisconsin's Artisan Food Tradition

The Cookie Bill partners with Wisconsin's deep-rooted artisan food heritage, supporting local entrepreneurs to create businesses that champion the various tastes and flavors of our state. Additionally, the Cookie Bill positively impacts tourism as it gives the growing culinary travel segment more opportunities to take home unique local flavors.

Wisconsin is currently losing business opportunities for entrepreneurial start-ups, job creation and economic revitalization (especially in rural areas) by not having cottage food legislation including baked goods. We need to quickly catch-up with other states already championing such cottage food business start-ups, especially as the local food movement and interest in food artisans continues to grow in Wisconsin. AB-417 represents an important step forward for aspiring and existing food entrepreneurs. For these reasons, we urge you to support this bill.