



State Senator Sheila Harsdorf

Date: June 7, 2017
To: Senate Committee on Public Benefits, Licensing and State-Federal Relations
Fr: Senator Sheila Harsdorf
Re: Senate Bill 271—Sale of homemade baked and canned goods

Dear Chair Kapenga and Committee Members,

Thank you for holding a public hearing on Senate Bill 271 (SB 271), sometimes referred to as the “Cookie Bill,” which would allow home bakers to sell certain baked goods without requiring a food processing license from the state. This bill is a revised draft of 2015 SB 330, which was passed unanimously by the full Senate in the last legislative session.

SB 271 would exempt home bakers from the requirement to obtain a food processing plant license to make and sell nonhazardous, home baked goods if they receive less than \$7,500 annually in gross sales. Baked goods are defined as nonhazardous if they are acidic or have a low moisture content that does not support the growth of dangerous bacteria known to cause illness.

As it can be expensive and challenging for individuals to rent or access industrial kitchen space in order to prepare baked goods, I believe SB 271 is an important measure that will help remove barriers for entrepreneurs and those interested in starting a business while providing appropriate consumer protections.

SB 271 would require home bakers to provide consumers with clear information about their products. Under the bill, home bakers must adhere to labeling, signage and training requirements, as well as register with DATCP and document their sales.

Additionally, SB 271 updates the “Pickle Bill” for home canners by increasing the gross sales limit under the home canning license exemption from \$5,000 to \$7,500 annually. As you may recall, in 2010 the Legislature passed the “Pickle Bill” as 2009 Wisconsin Act 101 to allow individuals to make and sell certain home canned foods in response to input from entrepreneurs seeking to start small businesses from their homes.

SB 271 would also require that the home canned and baked goods be sold face-to-face and stipulates that they cannot be sold door-to-door. SB 271 instructs DATCP to provide food safety and storage guidelines and information on the types of foods that are allowed to be sold under the home baker exemption.

All of our neighboring states currently allow the sale of non-hazardous baked goods made in home kitchens. Minnesota allows up to \$18,000 in annual sales, while Illinois bakers can sell up to \$25,000 of their products at farmers markets and Michigan allows up to \$20,000 in sales directly to consumers. Iowa has no limit on annual sales of cottage foods at farmers markets. SB 271 is a small step toward giving Wisconsin’s home bakers the same opportunity that our neighboring states already allow.

I urge your support for this legislation in order to encourage Wisconsinites to start and grow their own business.

10th Senate District
Phone: 800.862.1092/608.266.7745
Fax: 608.282.3550

<http://www.harsdorfsenate.com>

P.O. Box 7882 ■ State Capitol
Madison, Wisconsin 53707-7882
Sen.Harsdorf@legis.wisconsin.gov



TO: Senate Committee on Public Benefits, Licensing and State-Federal Relations

DATE: June 7, 2017

RE: Testimony on SB271: the sale of homemade baked goods & homemade canned goods.

FROM: Nick Levendofsky, WFU Government Relations Associate

Good morning, and thank you, Chairman Kapenga and other members of the committee for allowing me to speak on SB271 today. My name is Nick Levendofsky, and I represent the Wisconsin Farmers Union, a member-driven organization, committed to enhancing the quality of life for family farmers, rural communities, and all people through educational opportunities, cooperative endeavors, and civic engagement.

This Bill Will Add Extra Money to The Rural Economy

Over the past few years, there has been a growing consumer demand for cottage food legislation, and to purchase products directly from producers. The state of Wisconsin recognized this trend in 2009 by passing the "Pickle Bill." This bill allowed people to make and sell homemade highly acidic canned goods such as pickles and salsa without obtaining a license. However, this bill neglected to cover home baked goods. Using data from the spring of 2013, 32 states, including Wisconsin, have passed some type of cottage food legislation. However, Wisconsin is one of only two states whose cottage food legislation does not include the sale of non-hazardous baked goods. This means Wisconsin has fallen behind their neighbors, including Minnesota, Iowa, and Illinois. It also means people who are using the Pickle Bill successfully are missing out on an opportunity to make extra income by selling baked goods at farmer's markets or other events.

The Cookie Bill Would Help Start Small Businesses.

Additionally, we have been hearing feedback from many people who have been debating starting a baked goods business, but the state's licensure requirement, and the fact products must be produced in a commercial kitchen has proven to be a roadblock for many. This is a deal-breaker for most people, because not only do they not have the money to do so, but some people would like to be able to test the water to see if there is enough of a market for their products before taking their business to the next level. Additionally, while kitchen incubators are a solution for some people who are looking to start a baking business, they are very often not a viable option for people in rural communities, who may have to drive an hour or more to find the closest kitchen incubator.

As drafted, the Cookie Bill will help these people, while serving as a safe stepping stone for people who would eventually like to take their home baking into a fully-licensed business. By allowing home bakers to sell up to a certain amount per year, people can test the waters for their product without having to take significant risks or make a large investment.

WFU is listed as neutral on this bill due to the \$7,500 income cap. Many states have caps on their cottage food laws, and some are even unlimited. WFU feels a low cap of \$7,500 frustrates one of the main purposes of the bill - to bring extra income to individuals, and to allow them to build and expand home-based businesses. This is why we encourage the committee to amend the bill to allow for an income cap of \$25,000, which puts Wisconsin at the national average for states with similar laws in place. If people are looking for a way to circumvent the system in regards to needing a commercial license, the Cookie Bill is not the answer.

Thank you for allowing me to speak on this matter today.

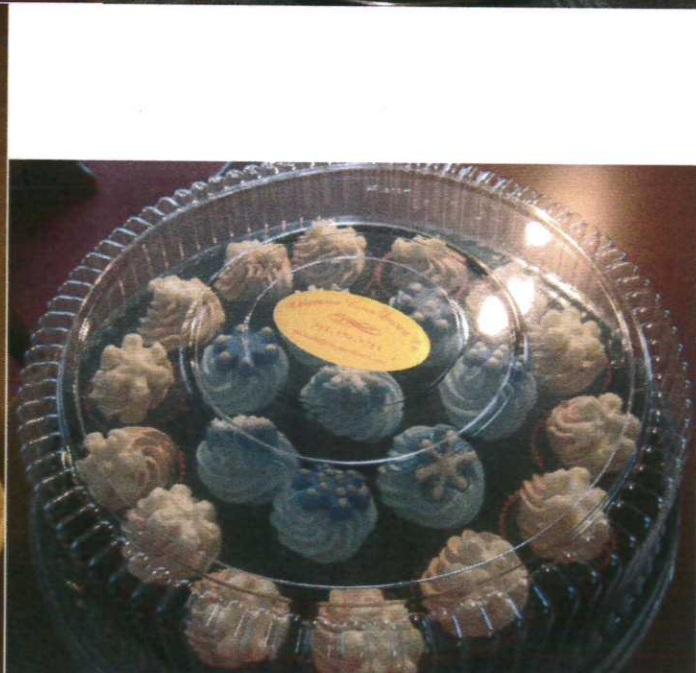
Nick Levendofsky
Government Relations Associate
Wisconsin Farmers Union
nickl@wisconsinfarmersunion.com / 608-234-3741

My name is Gayle Johnson, former owner of a Licensed Home Baking kitchen. I went to The Notter School Of Pastry Arts in Orlando, FL in 2007, and opened my dessert business in 2008 and closed it in 2015 due to the fact that we sold our home and no longer had a place that could be licensed. A very sad time for me. For 8 years I was legal to bake, and use my skills, and then suddenly could no longer bake for all the clients I had acquired over those years, for fear of doing something illegal! I am the same person, with the same hygienic practices that my clients had trusted me to use with that piece of paper, but now no longer bake for them. Anyone ordering baked goods from anyone licensed or not, should trust the cleanliness or don't purchase from them. If they are concerned, potential clients should ask the baker to see where they are producing, ask if they have pets near the kitchen area, what type of sanitizing practices do they use, etc. Just because you might have a license, does not mean they are any cleaner than the kitchen I use. In fact, we have since moved into a home that has a totally separate kitchen, complete with refrigeration, oven, sinks, dishwasher, etc. and I am unable to use it to bake from at this time! I am asking for the State of Wisconsin to join 48 other states to change the law, and allow bakers such as myself to provide a service that is not going to hurt anyone, or put bigger bakeries out of business. I will never be able to produce the quantity of baked goods to even remotely have an impact on any of them, but it will help me financially to bake items for people who appreciate my talent, and not be doing anything illegal. Many people are already doing this, just not legally, but I am not one of them. I do things by the law, and would like to be able to do that once again.

Thank you,

Gayle Johnson

Chippewa River Dessert Co. (formerly)



~ The Cookie Bill ~

Fighting for a fair and tasty rural Wisconsin



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 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.



Photo credit: The Institute for Justice

▶ The Cookie Bill would allow home-based food entrepreneurs to sell non-hazardous baked goods via face-to-face sales, without needing a commercial license or commercial kitchen.

Above: WFU members (from right) Dela Ends, Lisa Kivirist and Kriss Marion have led the charge for fair legislation for food entrepreneurs in Wisconsin.

Building on the successful track record of the Pickle Bill, which passed the legislature in 2010, the Cookie Bill would expand support for aspiring food entrepreneurs and serve as an on-ramp for new business development.

Issue & Need

While the Pickle Bill is a strong step in the right direction, it is limited to high acid foods. Wisconsin and New Jersey are the only two states 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, cookies, breads, 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

There are a number of reasons why Wisconsin needs the Cookie Bill

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 opportunities by not being able to sell baked goods as well.

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.

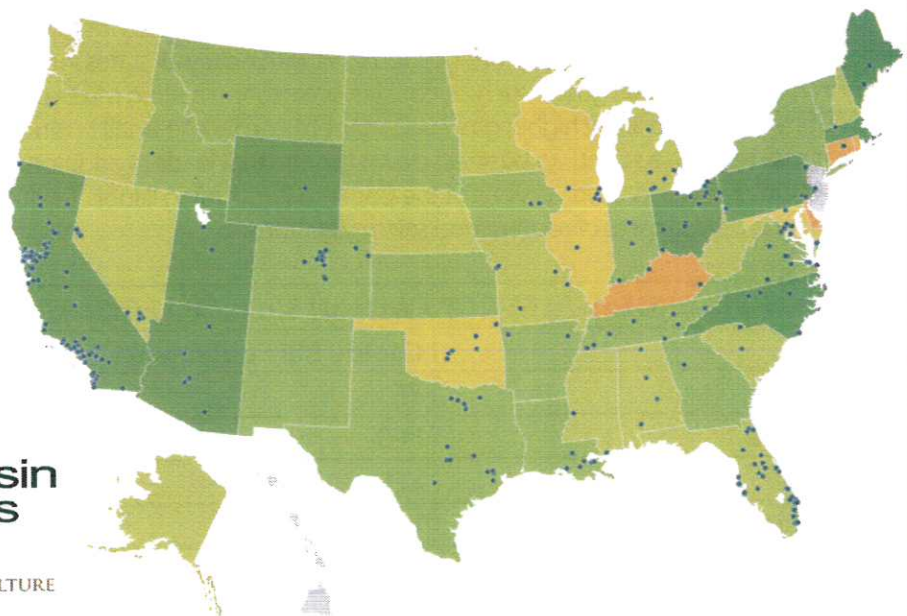
5. Supports Wisconsin's Artisan Food Tradition

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 that includes 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. The Cookie Bill is an important step forward for aspiring and existing food entrepreneurs.

Wisconsin is currently rated poor in Cottage Food Laws in comparison to other states. (Source: forrager.com)

Cottage Food Laws



Fact sheet is brought to you by:



Great Good Okay Poor Restricted Pending More

I support SB 271 and AB 360 that would allow home bakers to produce and sell non-hazardous baked goods without needing a commercial license or using a commercial kitchen.

As you surely know, building a commercial kitchen is a VERY costly investment. Even renting a commercial kitchen (if one equipped for a baker's needs can even be found) can eat into any profit a baker could make, costing anywhere from \$12 to \$40/hour!

I am a baker and would like to provide scratch-made treats to the public that are fairly priced and of high quality.

Since building a kitchen is out of the question for me at this time, I should be renting a commercial kitchen. In order to keep my product prices fair, I would have to either use less expensive/lower quality ingredients or use any profit to pay for the rental kitchen, basically baking for free.

Here is an example:

- A cake is priced at \$50 and takes 3 hours to make.
- The cost of ingredients to make the cake is \$10.
- The baker's pay rate \$10/hour, \$30 for the 3 hours.
- A rental kitchen charges \$15/hour, \$45 for the 3 hours.

Cake Price	\$50
Cost of Ingredients	-\$10
Baker's Pay	-\$30
Rental Kitchen	-\$45
Total	-\$35

This example is the most simple I could think of. The bakery work I do, however, is more complex and each project requires much more time, especially as baking is not my only work.

The Cookie Bill would not only provide me with actual revenue (by not having to pay rental fees), baking in my kitchen would allow me to bake when I have the time, instead of working around the schedule of the rental kitchen.

Why is the sale of baked goods regulated, when sharing free food prepared in homes not? Why does the exchange of money make a difference? It seems like a ridiculous question, but if the law is concerned with food safety of residential kitchens and potential outbreaks of food-borne illnesses, the law should be regulating Bake Sales, Potlucks, Dinner Parties, and Family Reunions. Obviously, I am not advocating for the regulation of these events, I am merely pointing out a flaw I see in the logic of this law.

If the law is concerned with competition (as has been stated by House Speaker Rep Robin Vos), that is un-American, plain and simple.

Whenever I take on a new customer who does not know me well, I inform them that I will be baking in my home kitchen unless they need or prefer me to use a commercial kitchen. I have not had a single person ask me to use a commercial kitchen. In fact, the most common response from a customer is that they do not care.

Angela Steinkamp
Milwaukee, WI 53207



Hi, my name is Sarah Foley. I live at 1602 S 62nd St West Allis WI, 53214. I would love to own a gluten free bakery someday. I have been gluten free for about seven years and I absolutely love to bake, and eat bakery items but these things are incredibly hard to find in normal bakeries, and there is always the chance for cross contamination. I have baked for my family and friends for years, some of which have also come to be gluten free, and they constantly tell me how good my baked goods are and that I should sell them. I would love to be able to help out the celiac community and provide something that is lacking in my area.

The cookie law being overturned would help me in pursuit of this goal. I have looked into renting a commercial space but was just not able to afford to rent it each month plus my general living costs. I would absolutely love to be able to provide a service to my community that they are not getting right now. I have had several people approach me to bake for their children's birthdays or other celebrations and offered to pay me for my services, and I have always done it for free since I did not want to break any rules, but I would love to be able to capitalize on what I love to do and something that generally makes people happy.

As for my baking space, I have a gluten free home so there is no concern of a cross contamination. Which I am constantly worried about when I eat something from a kitchen that I do not know. This cookie law has prohibited a lot of wonderful, delicious creations from being made and enjoyed by a lot of people. I would love for this law to be overturned so that people can do what they love, have their products enjoyed by people who will appreciate them and be able to possibly make a way of life doing what they love to do. Isn't that the American dream we were all told to believe in? Work hard for what you want and you can succeed. I think that if this law is overturned this will provide a lot of people an opportunity to work hard for what they want and love.



My name is Hannah Shaw, I reside at W10783 Hawk Island Rd. Black River Falls WI 54615. I do not own a baking business, but hope to someday. I am a mother of 3, including a set of twins and a stay at home mother. My twins have developmental issues and it prevents me from working outside the home. We are on a tight budget and if the Cookie Bill passes, it would allow my family to be one step closer to financial independence, and off of public benefits like foodshare and badger care. I would like to see the revenue cap start at \$10k, with the option to increase sales by up to \$5k each additional year. There is huge demand for my baked goods in Black River Falls, we even have a Wal-Mart and Gordys, but folks still want mine. But I can't produce them due to this law. I feel passing this is critical to my family finally making it. I have spent 13 years in foodservice, holding many managerial positions and obtaining multiple food handling certifications, including a serve safe license. Never in my 16 years of baking has anyone gotten ill due to the standards I adhere to. Please find it in your hearts to help out those who really need a step up.

Thank you.

Hannah Shaw

7158967196



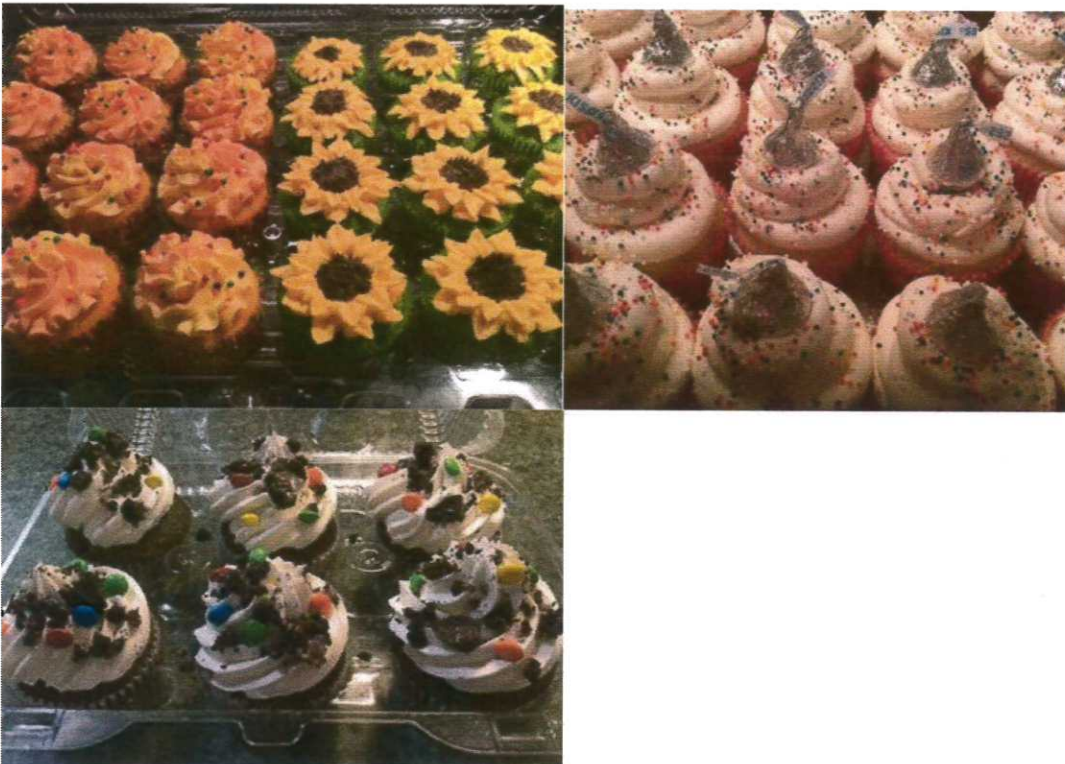
I am a happily married 51 year old woman, mother to 2 teenagers, with a passion for cupcakes! I thought to myself one day "Hmmm, what can I bring to this party?" I wound up on Pinterest looking for fun ideas and came across some fun-looking cupcakes and said to myself "I can do that!!" And I did. And I kept on trying new ideas and they kept looking great and tasting yummy! Many people have said "you need to open yourself a business to sell your baked goods" – but there is no way I could finance a business, and when I try to wrap my head around finding investors, an industrial kitchen with a storefront....well, it kind of crushes my passion.

The cost of my husbands' health insurance through his employer is astronomical. He makes only \$13.25/hour, and yet the portion of insurance we need to pay for is \$834/month. Eight. Hundred. Thirty. Four. Dollars. Wow. That deduction to his paycheck started 1/1/17 and let me tell you it has been one heck of a struggle to simply live paycheck to paycheck. And who wants to do that?! There is no money for "what ifs" – and being a homeowner, we know the what-ifs usually run in the hundreds to thousands of dollars! I have been a stay-at-home mom/wife for much of our marriage, but found it necessary to recently take a part-time job at a local grocer to help recover that "lost" money from husbands paycheck. Wouldn't it be great if WI could pass this bill and I could now work from my home and be a financial support to my husbands' income?! I'm already daydreaming about my business name... I'm partial to BeBeCakes... help my dreams to become reality!

I'd like to thank my Senator Stroebel and Assemblyman Gannon for their support to senate bill 271!

I ask you all to please pass these bills and allow for the sale of home-baked goods in Wisconsin. I've attached some pictures of cakes I've created recently...hope you don't get too hungry looking at them!

Regards,
Bernice Behlke
850 S. 6th Avenue
West Bend, WI 53095
(262) 334-7975



Jennifer Lynn Bradley

W1352 Hemauer Dr.
New Holstein, WI 53061
(920) 222-1022
jen@bradleybylines.com
www.bradleybylines.com

June 7, 2017

To whom it may concern:

Thank you for your time today in hearing more about the Cookie Bill today. I am unable to appear in person, but wanted to write a quick letter explaining why I've been eagerly hoping this would pass soon in Wisconsin.

I've been gluten-free for nearly 10 years and have been baking much longer. I love to bake, and it's actually one of the things I'm very good at and my stress relief! As I had to transition to gluten-free baking, I started to mix my own flour blend recipe which works cup-for-cup in place of traditional flour in all recipes. I use this for everything from pancakes for my kiddos to cakes for family gatherings, and everything in between: quick breads, muffins, cookies, etc.

I know that many people struggle with gluten-free baking and I've been handing out my recipe and flour to friends and family for years, even people I don't know who ask for it. I've had a dream to sell this flour at local farmers' markets or just to people that want some. I know there's a demand for it and people just don't know what to do. I'd love to help them, but also this would provide a small revenue stream for my family. I had a logo made years ago, but then realized I wasn't able to do this legally. I went through the proper channels in the legislature to find out if I could sell it, and they confirmed my thoughts.

I have three small children, live in a rural area, work two part-time professional jobs and just am struggling to figure out a way to rent a kitchen as there are no public ones nearby. I'd have to go to the Fox Cities/Green Bay to do so, which is nearly an hour drive each way, and can only do this on my one day off/week. It's really an impossible task to take on right now. But, if I could just mix it in my home, which is very clean and well kept, I could take this flour to the local farmers' markets, of which there are quite a few in our small towns. I know it would be well received!

Please consider supporting this bill. It would mean a lot to me and my family, and a girl who just loves to bake and help others!

Warm regards,
Jen Bradley



I am Kriss Marion, a small certified organic farmer and a bed and breakfast owner in Blanchardville. I currently have my kitchen certified by the hygiene/sanitation department under DATCP's bed and breakfast rules, and so I am able to cook whatever I please for my guests. However, if I want to have muffins in the oven to sell them to when the leave to go explore the countryside, I am breaking the law. Doesn't make sense. Moreover, I live in a tiny town where we live and breathe bake sale fundraisers for sports teams, churches, the fire department, band, women's clubs, garden club, you name it. Home-baked goods are available and abundant every week of the year.

Three years ago, I decided to drop my Community Supported Agriculture program - through which I was delivering vegetable boxes to 165 families in Madison, and start a farmers market to sell my veggies in Blanchardville. I decided that our town of 825 needed some revitalization and thought that a market would bring needed color, activity and excitement to Main Street on a Saturday morning, and perhaps kick-start some hope, interest and economic development. In our neighboring town, Argyle, a market had been up and running for 5 years, and recently the town filled a number of it's empty storefronts with an antique shop, an ice cream place, a deli and a grocery store. I was hoping to see the same cascade of events in my own community.

When we started the market we had 3 vendors willing to set up on a Saturday, knowing the traffic would be slow and the numbers few for a while. One of the things I quickly realized with my beautiful stand of vegetables was that people stopping by with kids, and even those without, wanted something sweet to eat while they shopped. All of us started baking a little bit of bread and cookies to have at our stands, and we found the numbers went up, the families lingered, they came back next week and the traffic grew. Nevertheless, in a town our size, the most people we could hope to get on a Saturday was about 100, and so renting a kitchen (even a kitchen nearby on Main Street, in the off hours of a cafe) wouldn't make any financial sense. If we want rural re-development in our little towns, or even our hollowed-out urban neighborhoods, we need to let people who make non-hazardous foods get started without a license.

Blanchardville has no bakery. I hope we will someday, if one of our farmers market vendors can build a following and create some popular recipes while working out of a home kitchen for a while. This is what other states have seen happen from Cottage Food laws. There are only two states that are NOT allowing home bakers to sell directly to customers. I favor a cap of \$25,000, to be in line with our neighboring states, which have caps of \$20,000, \$25,000 and no limit at all. No one baking out of their home kitchen could ever compete with a brick-and-mortar bakery - there simply isn't enough time in a day to bake out of one or two ovens and create enough fresh product to compete with an inspected facility. We are asking for the opportunity to have start-ups get their foot in the production door, and help revitalize our depressed towns and villages.

As an aside, my tiny town grocer is very much in favor of a Cookie Bill to allow us to bake at the farmers' market. His business won't survive unless we can drive more traffic downtown. Here we are all working together to raise the economic fortunes, entrepreneurial investment and community hope in our Main Street. Give us the freedom to do that.

Kriss Marion

Blanchardville, WI

fika bakery

Jacqui Sharpe
6975 Winkler Road
Three Lakes, WI 54562
630.640.4207
jacqui.sharpe@gmail.com

6 June 2017

Committee Members,

My name is Jacqui Sharpe, I live in Three Lakes, Wisconsin and I urge you to pass the Cookie Bill. I have loved to bake for as long as I can remember; it is my stress release, my way of showing love to others, and my creative outlet. I would love the opportunity to turn baking into a business that could support my family.

Our tiny northern town does not have a bakery and there is much local interest. I have developed a reputation for various baked goods and have requests to make them for events. Unfortunately, we have nothing resembling a commercial kitchen in which I could rent space, nor have there been buildings for rent. In order to begin a bakery business I would have to buy a building, which is a risk that's just too much for my family. If the Cookie Bill passes I will be able to start small, taking orders from those in our town and baking for the special occasions in people's lives while building my reputation in town. I hope to build the business to a place where I will need to find a space to rent or to own, where I am able to hire employees, but I can't do that unless I have a place to start.

The name of my (possible) bakery is Fika, which is the Swedish concept of taking a break for coffee and a sweet treat; Three Lakes needs a place like this. We haven't had a bakery in years, we have only one coffee shop that closes early and there is nowhere to go after dinner if you don't want to go to a bar. In the summer we have an ice cream shop, but year round, I would love to be able to provide a place where locals and tourists alike can stop in for a cup of coffee and a slice of pie. I plan to support other local businesses, using local ingredients wherever possible. In order to build my business to that point, I need to start small. Taking orders out of my home and meeting new people at farmers markets in the area will help build the connections needed to grow my business. I can't do any of this without the Cookie Bill.

Just this morning, I donated cupcakes and a cake for a teacher appreciation luncheon at our school (see photos). Many people inquired about whether there was a place to purchase these cupcakes; if the Cookie Bill passes I would be able to say yes to these requests.

Thank you for your consideration of Senate Bill 271/House Bill 360. I ask you to vote yes on the Cookie Bill to bring baked goods to rural areas like Three Lakes, and to help support families like mine.

Sincerely,

Jacqui Sharpe

