



February 24, 2023

Chair Putnam, Members of the Senate Agriculture, Broadband, and Rural Development Committee:

Thank you for the opportunity to submit testimony in support of SF 1563. My name is Kathy Zeman, executive director of the Minnesota Farmers' Market Association, and owner of Simple Harvest Farm, in Wheeling Township, Rice County.

MFMA supports all farmers' markets in Minnesota, wherever they are. We are at 362 farmers' markets, the highest number ever, with at least 3 more most likely coming onboard yet this year. We do the research and curriculum development, offering trainings on food safety, MN food laws and licensing, sales tax on foods, business plans, etc. This winter, we have 32 zoominars scheduled, during the day, evenings, weekends – making the training as accessible as possible. We've offered a handful with interpretation into various languages – and need to offer more.

My testimony in support of this bill is farmer focused. Although data on the number of food farmers is sketchy, there's probably 3,000 or so produce farmers in Minnesota, many of whom sell at our farmers' markets. MN's cottage food law, which dates back decades to the original "Pickle Bill," allows produce farmers to dramatically increase their profitability by selling their produce as value-added products: dehydrated fruit rollups; canned salsas, pickles, sauerkraut, etc. Food safety is paramount for cottage foods, allowing only non-potentially hazardous foods in this category, mandated food safety training, tested recipes.

SF1563 removes some of the remaining artificial barriers there are prohibiting the growth and profitability of our produce farmers:

1. Increasing the arbitrary gross sales cap considers the rate of inflation. The gross sales cap has nothing to do with food safety but does limit the profitability of cottage food producers (CFPs). It is an artificial barrier that contributes to the ongoing inequity in Minnesota's foodshed.
2. Not allowing CFPs to register as business entities is a puzzling and unique barrier. This is not a barrier in other states, nor for other businesses in Minnesota. And yet this barrier exists for CFPs and *creates* the risk for the 4,000+ Minnesotans in the cottage food industry.
3. The inability to ship cottage foods is another artificial barrier that is not grounded in food safety, or law. Since by law in MN, cottage food is legal, then cottage food is legal for commerce. That's the rationale the other 35 states reached to allow their CFPs to ship.

I am concerned with the artificial barriers that exist in our current cottage food law. It is unfairly prohibiting the growth and profitability of CFPs – many of whom are produce farmers. The cottage food industry in MN is likely a \$30M+ industry, proven to be self-sustaining, food safe, and an economic driver in local communities. It would be super helpful to remove these barriers and allow optimal growth for CFPs, and, our produce farmers.

I urge you to support SF1563. I am available to answer questions, provide data and research that we have accumulated.

Sincerely,
Kathy Zeman
Executive Director
Minnesota Farmers' Market Association

MISSION

MFMA provides services, programs and leadership that support and promote farmers' markets across Minnesota.