

Testimony SB2386

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To the Senate Ag and Veterans Committee,

DRC has a long-standing history of supporting the Cottage Food Industry in North Dakota and we see this bill as a common sense ways that rural communities and Ag producers to find new income sources and interact more directly with consumers.

Oftentimes small businesses run into the problem of marketing their products to a greater area. Decisions have to be made because people in the cottage food industry are being hamstrung by regulation. They can't go across state lines even if they live close to the border so they have markets shut out to them. If they are centrally located in the state, the transportation costs of their goods traveling to farmers' markets can cut into their profits. In the first scenario, you are being cut off from a market due to imaginary borders drawn up that you can't control. In the latter situation, you can't do business over the phone or the internet.

Allowing the sale of products over the phone and especially over the internet is common sense for farmers in 2025. Furthermore, we also support eliminating the rule against interstate commerce, because it is likely necessary to properly capitalize on online markets and allow farmers living near our border states to attend farmers markets and other opportunities.

The Cottage Food laws of North Dakota provide adequate protection and this bill does ask for clear labeling in certain instances for the seller to follow. We would like to see this bill passed because we live in 2025 and have the technology to reach out to customers all over the state and to our neighbors. This is common sense legislation.

While banning sales over the internet may have made sense at one time, the internet is now a major share of food sales and this will only continue to grow. The internet's share of total US food sales was just under 10 percent in 2017 and had by 2016 increased to almost 16%. By 2027 it is estimated to increase to 21.5%.¹ Our farmers and ranchers should be able to benefit from these new markets.

Thank you for your consideration. We recommend a **DO PASS** of this bill.

¹ "U.S. Food Retail Industry - Statistics & Facts | Statista." *Statista*, Statista, www.statista.com/topics/1660/food-retail/. Accessed 4 Feb. 2025.