

February 5, 2025

Testimony in Support of SB 2386 – Expanding Cottage Food Transactions

Dear Esteemed Members of the Committee,

I am writing to express my support for **SB 2386**, which seeks to modernize North Dakota's cottage food laws by allowing transactions to occur across state lines, through online platforms, phone orders, mail, and consignment. These changes will not only benefit small-scale food entrepreneurs but will also serve the consumers of North Dakota by increasing access to high-quality, locally made food products.

As a small business owner in North Dakota, I work with over 40 local handcrafters who specialize in making everything from art to handmade gifts and jewelry to knit and crocheted items to provide a location for them to sell their goods, but I am currently unable to offer this opportunity to food artisans. I believe we are missing an opportunity in our state to provide both the food entrepreneurs and consumers with more options for purchasing these goods.

Currently, North Dakota's cottage food laws limit commerce to in-person transactions, which significantly restricts the ability of home-based businesses to grow and sustain themselves. Many talented bakers, jam makers, and other artisanal food producers struggle with these limitations, preventing them from reaching broader markets. Allowing online and mail-order sales would:

- Enable small businesses to scale sustainably without requiring a costly commercial kitchen.
- Help rural and home-based entrepreneurs participate in the local food economy more effectively.
- Encourage economic growth by keeping revenue within the state rather than forcing consumers to purchase similar products from larger, out-of-state businesses.
- Allow new residents to our state, including from the Minot and Grand Forks Air Force Bases, to be able to continue serving their customers in their previous locations.

The demand for high-quality, homemade food has never been greater. According to the Specialty Food Association, consumer interest in artisanal, small-batch food products has been steadily increasing. Expanding cottage food sales would:

- Allow consumers, particularly those in rural or underserved areas, to access locally made goods without the burden of travel.
- Provide individuals with dietary restrictions or preferences access to customized and allergen-friendly options.
- Strengthen community ties by promoting relationships between local food producers and their customers, fostering trust and transparency.

Concerns about food safety are often cited as a reason for restricting cottage food transactions. However, states with broader cottage food laws—including Wyoming, Montana, and Florida—have not experienced widespread food safety issues as a result of their expanded policies. Furthermore, cottage food businesses are already subject to labeling and disclosure requirements, including labeling all products as being made in a home kitchen, ensuring transparency for consumers.

SB 2386 presents a crucial opportunity to support North Dakota's small business owners, meet growing consumer demand, and showcase the talents of our residents. By allowing interstate transactions and online sales, this bill will empower cottage food entrepreneurs while maintaining the integrity and safety of the industry. I urge the committee to support this legislation and help pave the way for a thriving, homegrown food economy in North Dakota.

I ask for your support of **SB 2386**. Thank you for your time and consideration. I appreciate your commitment to strengthening our local food system and supporting small businesses. Please feel free to reach out if you have any questions.

Sincerely,
Hope Anderson