

SALES THRESHOLD FOR LICENSURE EXEMPTION FOR RETAIL OUTLETS SELLING MAPLE SYRUP OR HONEY

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Senate Bill 882 as passed by the Senate
Sponsor: Sen. Sam Singh
House Committee: Agriculture
Senate Committee: Energy and Environment
Complete to 12-18-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 882 would amend section 4105 of the Food Law to increase the threshold for how much honey or maple syrup can be sold before licensure by the Michigan Department of Agriculture and Rural Development (MDARD) is required under the act.

Currently, section 4105 provides for an exemption from licensure as a food establishment or food processing facility involving the sale or processing of honey or maple syrup if the producer has gross sales of \$15,001 or less. If a retail outlet is owned by the producer and sells only prepackaged honey or maple syrup that was made in Michigan and the processing facility is licensed, then the retail outlet is exempt from having to become licensed as a food establishment under the Food Law.

The bill would increase this sales threshold to \$25,000,¹ matching the existing threshold for the value of foods that are allowed to be sold under the state's cottage food laws without the individual making those goods needing to obtain licensure. Honey and maple syrup are not considered *cottage food products* under state law.

Cottage food product means a food that is not potentially hazardous food as that term is defined in the Food Code. Examples of cottage food product include jams, jellies, dried fruit, candy, cereal, granola, dry mixes, vinegar, dried herbs, and baked goods that do not require temperature control for safety.

Cottage food product does *not* include any potentially hazardous food regulated under 21 CFR parts 113 and 114,² examples of which include meat and poultry products; salsa; milk products; bottled water and other beverages; and home-produced ice products. Cottage food product also does not include canned low-acid fruits or acidified vegetables and other canned foods except for jams, jellies, and preserves as defined in 21 CFR part 150.³

MCL 289.4105

¹ [House Bill 6131](#) proposes to increase this threshold to \$45,000 by default, with the potential for up to \$75,000 in annual gross sales.

² <https://www.ecfr.gov/current/title-21/chapter-I/subchapter-B/part-113> and <https://www.ecfr.gov/current/title-21/chapter-I/subchapter-B/part-114>

³ <https://www.ecfr.gov/current/title-21/chapter-I/subchapter-B/part-150>

BACKGROUND:

According to House committee testimony from a representative of the Sustainable Beekeepers Guild of Michigan, the current sales limit on honey discourages local production. As an example, they noted that an individual with 20 bee colonies can produce up to 2,000 pounds of honey in a slower year, which would yield revenue of approximately \$20,000 at the going rate of \$10 a pound. Because licensed facilities are difficult to find for small-scale beekeepers, and building an appropriate facility for processing is cost-prohibitive for a sole proprietor at this scale, in order to comply with state law beekeepers must choose between losing money by forgoing sales to stay under the sales threshold or spending much more to have their honey processed in a commercial facility without the benefit of additional profit.

Other states in the Midwest either have higher sales limits for cottage foods or have no sales limit but stricter regulations as to which food items qualify as a cottage food and how and where cottage foods may be sold.

FISCAL IMPACT:

Senate Bill 882 would have no direct fiscal impact on the state or local units of government.

POSITIONS:

A representative of the Sustainable Beekeepers Guild of Michigan testified in support of the bill. (12-11-24)

The following entities indicated support for the bill (12-11-24):

- Michigan Department of Agriculture and Rural Development
- Michigan Farm Bureau
- Michigan Farmers Market Association

Legislative Analyst: Josh Roesner
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.