

Legislative Analysis



COTTAGE FOOD LAW AMENDMENTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4122 as reported from committee (with amendment)

Sponsor: Rep. Gregory Alexander

Committee: Agriculture

Revised 4-22-25

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

SUMMARY:

House Bill 4122 would amend provisions of the Food Law relating to the manufacture and sale of cottage food, among other things to allow cottage food products to be sold by internet or mail order or be delivered through a ***third-party delivery platform*** if certain conditions are met.

Third-party delivery platform would mean a business engaged in the service of delivery from a cottage food operation or online food ordering and delivery from a food service establishment to a consumer.

In order for a cottage food product to be sold by internet or mail order or delivered by a third-party delivery platform, there would have to be an opportunity for the consumer to ***directly interact with*** the cottage food operation before the product is sold. Sale of a cottage food product by internet or mail, or delivery through a third-party delivery platform, could only occur with a consumer located in Michigan.

Directly interact with would include either a face-to-face meeting or virtual meeting.

Virtual meeting would include a meeting in which communication occurs electronically in a manner that allows two-way communication so the participants can see or be seen by and hear or be heard by all parties to the communication.

The bill also would increase the gross sales threshold for a cottage food operation from \$25,000 to \$50,000, with an operation which sells its products at a price of \$250 or more per unit allowed to earn up to \$75,000 in gross sales annually. Beginning January 1, 2026, the Michigan Department of Agriculture and Rural Development (MDARD) could adjust the gross sales limit by an amount calculated by the Department of Treasury based on inflation (as measured in the Detroit Consumer Price Index) over the prior three-year period, rounded to the nearest whole dollar. The inflation adjustment factor could not be less than \$1.

Finally, the bill would allow the MSU Product Center to issue a document that evidences the granting of registration and contains a unique ID number for the cottage food operation and collect a one-time fee of up to \$50 for registration. MDARD could inspect the records of the center upon request. The information collected through the registration program would be exempt from FOIA.

A cottage food operation would be required to list its name, phone number, and registration number on labels if it registers with the MSU Product Center.¹ If the operation does not register

¹ <https://www.canr.msu.edu/productcenter/>

with the center, it would have to post the same information as now required: business name, address, and phone number.

MCL 289.1105 and 289.4102

BRIEF DISCUSSION:

Traditionally, cottage foods have been defined as foods that are shelf-stable and do not require refrigeration or cooling as part of their storage, the rationale being that foods that do not require temperature-controlled storage are at lesser risk for foodborne illness. Proponents of cottage food production say it allows individuals who may produce certain food products as a hobby to earn income to offset that hobby and potentially gauge demand for their goods before investing in the equipment, space, and licensure necessary to produce at a commercial scale.

Supporters of the bill say that its changes provide a needed update to Michigan's cottage food law that keeps requirements in line with other states in both how cottage foods may be sold as well the maximum dollar amount of sales an individual can make before having to become fully licensed to make and sell their products.

FISCAL IMPACT:

The bill would add additional program responsibilities for MDARD, which would potentially require additional resources, including staffing. The amount of additional department cost cannot be readily estimated at this time.

POSITIONS:

Representatives of the following entities testified in support of the bill (3-20-25):

- Michigan Farm Bureau
- Michigan Farmers Market Association

The following entities indicated support for the bill:

- Abbott Farms (3-20-25)
- Baking Legends, LLC (3-20-25)
- Beehive Strategies (3-20-25)
- Belleville Central Business Community (3-20-25)
- Charlevoix Farmers Market (3-20-25)
- DnD Goodies (3-20-25)
- Gleehead Baking Company (3-20-25)
- Good Food Institute (4-17-25)
- Good Stead Farm (3-20-25)
- Growing Hope (3-20-25)
- Inkster Task Force Farmers Market (3-20-25)
- Menominee Historic Downtown Farmers Market (3-20-25)
- Midland Business Alliance (3-20-25)
- Mt. Pleasant Farmers Market (3-20-25)
- SouthEast Michigan Producers Association (3-20-25)

- St. Louis Farmers Market (3-20-25)
- Toonces Treasures, LLC (3-20-25)
- Wiltse Kitchen (3-20-25)

A representative of the Michigan State University Extension Product Center testified with a neutral position on the bill. (3-20-25)

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■ 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.