

Census of MI Farmers Markets

Cottage Food

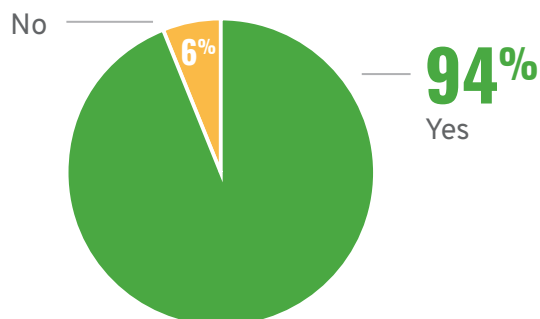
This document is part of the MI Farmers Market Census series. More available at mifma.org/census



WIDESPREAD PRESENCE AT MARKETS

Most markets (94%) allow Cottage Food vendors. The average market has 6 Cottage Food vendors, but this ranges from one to seventy, depending on market size. Cottage Food vendors sell a wide variety of products, with baked goods, canned jams, and bread among the most popular. The small number of markets that don't allow Cottage Foods say they have limited capacity to inspect and enforce rules, have liability concerns, are worried about the quality of the products, believe their market is too small for Cottage Foods, or are unfamiliar with the Cottage Food law.

Do Markets Allow Cottage Food Vendors?



Michigan's Cottage Food Law

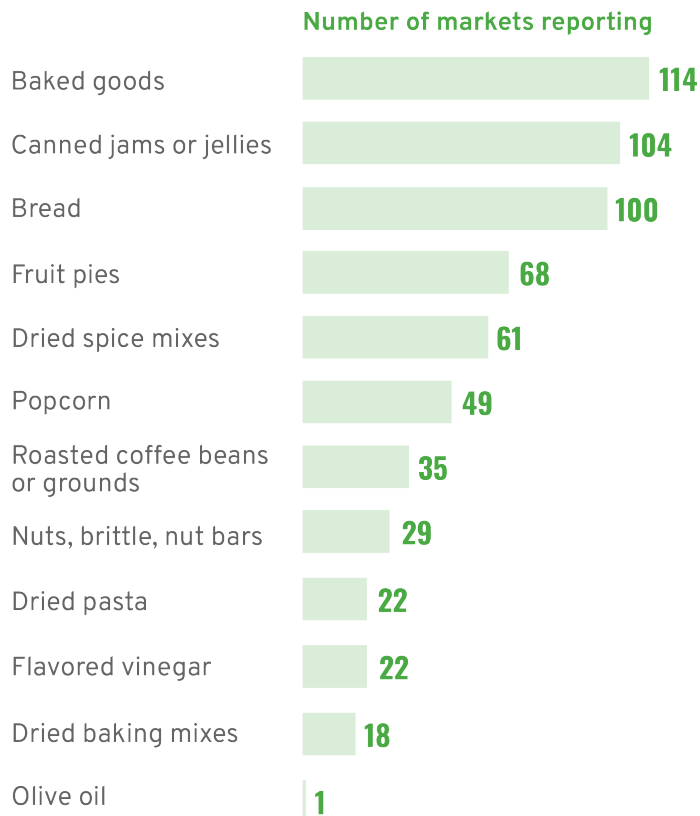


Signed into law in 2010, the Michigan Cottage Food Law¹ was enacted to reduce barriers to entry for new food entrepreneurs as they test products and build viable business models.

The law allows specific products to be sold in direct-to-consumer settings without having been produced in a licensed kitchen. Allowable Cottage Food products must meet certain criteria, labeling, and packaging requirements. This allows home-based food businesses to get a start in farmers markets. For some, this is a way to catalyze business before entering licensed kitchens and retail channels; for others, Cottage Food sales are ongoing and steady income generators. And, some farmers are able to diversify product offerings to buffer income between harvest seasons (by making jam or pies from their fruit, for example).

¹ To learn more about Cottage Food law, visit <https://www.michigan.gov/mdard/food-dairy/michigan-cottage-foods-information>

Types of Cottage Foods Sold



Nearly 120 farmers markets reported an accumulative total of 724 Cottage Food businesses that sold at their markets in 2019, including 428 (58%) that were also farmers.

MARKETS AS BUSINESS INCUBATORS

Many market managers reported vendor success stories that demonstrate the business growth and expansion fueled by the Cottage Food Law. Fifty-seven reported having Cottage Food vendors that went on to become licensed (allowing them to sell their product anywhere), 39 that opened retail stores or restaurants, 50 that turned their businesses into full time work, and 37 that hired staff to support the work.

Respondents said that some Cottage Food vendors “treat their [businesses] as a side job or for a small income.” However, many spoke of the business growth catalyzed at the market. One noted that the most popular Cottage Food vendors leave the market once their businesses grow. They said, “It’s the nature of things...it is rare [for those who] leave ever [to] come back.” Indeed, many said Cottage Food vendors see markets as a “stepping stone” for them to begin and grow. One said, “We’ve had several vendors get licensed, certified, and grow their businesses after participating in our market.” This speaks to the role of farmers markets as small business incubators.

Cottage Food Vendors Have Gone on to...

