### FOOD LAW an overview

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Sustainable Economies Law Center

#### About us



#### Sustainable Economies Law Center



cooperatives

cottage industries community currencies

locally owned businesses

nonprofit enterprises

local investing and crowdfunding cohousing and shared housing

urban agriculture

micro enterprise

### Processed versus Unprocessed Foods





#### California Small Farm Food Safety Guidelines - fruits, vegetables

Who must follow?

- "Community food producers"
  - Agricultural producers who grow food on land that is not zoned as agricultural land
- "Certified Producers"
  - -sell at farmers' markets
- CSA Farms



#### California Small Farm Food Safety Guidelines - fruits, vegetables What do they require?

- Record keeping
- Water testing
- Thorough handwashing
- Keep animals out of fields
- Proper use of manure as fertilizer



#### California Small Farm Food Safety Guidelines - fruits, vegetables What do they require? (Continued)

- Clean and sanitize equipment, containers,
   and other materials at least daily during use
- Separate storage for personal items
- Remove contaminated materials
- Use disinfectants to wash produce



#### California Small Farm Food Safety Guidelines - fruits, vegetables What do they require? (Continued)

- Cover bins of produce and materials to avoid contamination
- Use properly working refrigeration
- Do not wear field clothes when packing
- Make sure to clean any vehicles used

### Permits needed for selling or donating fruits, vegetables, nuts

#### "Community food producers"

- Agricultural producers who grow food on land that is not zoned as agricultural land
- -No permit needed! Just follow SFFSG



### Permits needed for selling or donating fruits, vegetables, nuts

#### "Certified Producers"

- Enables you to sell at farmers' markets
- Must apply for certified producers' certificate from California Department of Food and Agriculture
- County Agricultural Commissioner will follow up and inspect your farm



# Permits needed for selling or donating fruits, vegetables, nuts Community Supported Agriculture (CSA)

- A farmer or group of farmers who grow food for a group of consumer shareholders or subscribers who pledge or contract to buy a portion of the future production
- Must register with CDFA (\$75 fee)

Intended for CSA and other small farms using the 1,000 / 250 bird exemption from bird by bird slaughter inspection.

Exemption applies to up to 1,000 chickens or 250 turkeys per year. **Direct to consumer sales only.** 



- Must keep records of sales
- All slaughter, processing must be on farm.
- Can be refrigerated up to 4 days at 41°F or below
- Can be sold frozen
- Safe handling instructions

- Personal such as hand washing with hot soapy water, clean clothes, no nail polish, etc.
- Removal of feathers, blood, wastewater, etc.
- Equipment and utensil washing, sanitizing after each round of processing
- FDA food grade packaging
- Equipment checklist

- Within 4 hours of slaughter, keep birds at 33°
  - 40° F at all times, including during transport, at farmers' market, etc (or frozen)
- Check temperature daily discard if improper
- Discard or freeze after 4 days
- Be organized!



# Permits needed for selling or donating poultry, rabbits

No permit required for 1,000 or 250 bird exemption, however, farmer must be in compliance with other direct-to-consumer sales requirements (certified producers' certificate, CSA registration, etc).

**WARNING:** varying legal interpretations

#### Selling Eggs

- Register annually with CDFA (\$75 first time, \$50 thereafter)
- Farm and farm stand subject to inspection
- Refrigeration and other requirements apply for wholesale, however, many requirements are waived for direct-to-consumer sales

### Selling Eggs - Labeling (direct-to-consumer)

- Name of the farm, including address and zip code
- Quantity of eggs
- the words "keep refrigerated,"
- California state handler code
- sell-by date
- Julian date of pack (the consecutive day of the year that the eggs were packed, in Julian date format. For example, the Julian date for January 1 is 001; the Julian date for December 31 is 365).

### Selling Eggs - Labeling (direct-to-consumer)

- Egg size determined by its weight in grams. A small egg must weight 40.16 grams or more, a jumbo egg must weigh 68.51 grams or more. The sizes are pee-wee, small, medium, large, extra large, and jumbo.
- Egg grade (i.e. AA, A, B, see below for more details)
- "California Shell Egg Food Safety Compliant," commonly abbreviated as "CA SEFS Compliant"
- Egg size and grade and producer address not required for sales without advertising by the producer on the premise direct to consumers from flocks of 500 hens or less

### Selling Eggs - Other Requirements (direct-to-consumer)

- Sell within 4 days
- Eggs must be cleaned and sanitized
- Avoid storing in direct sunlight
- Must provide 116 to 322 square inches of floor space per bird
- Keep records (date of sale, egg quality, quantity, where sold)
- See our How to Sell Eggs handout coming soon!

### California Homemade Food Act a.k.a. "Cottage Food Law"



#### **Facility Requirements**











#### Food handling and cleaning requirements





#### **Cottage Food Laws**



#### California Homemade Food Act

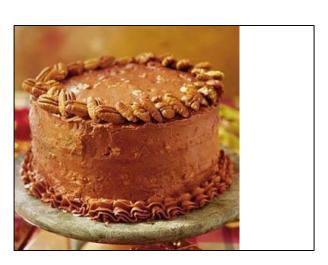
AKA California Cottage Food Law

Limited exemption to state Health and Safety laws for making certain food products commercially























### Restrictions & Requirements

- Max \$50,000 annual gross sales
- Business owner, household/family members and 1 FTE employee can participate
- Indirect sales limited to your county (sometimes)
- Direct sales within California only
- required safe food handling class (\$15 or less online)
- Insurance not required, but recommended

## Labeling Requirements

- ingredients (in order of predominance by weight)
- allergens statement (nuts, milk, wheat, eggs, soy)
- "made in a home kitchen"
- name of business (or just your name)
- permit/registration number
- Your address, if it's not in the phone book
- If the product is sold by weight: weight
- (do not need full nutrition facts label)

## Sample Label

#### KURTIS ARTISAN BREAD

Auburn, CA 95602 SEA SALT FOCACCIA

Ingredients: whole wheat flour, (wheat flour, barley flour, niacin, reduced iron, thiamine, mononitrate, riboflavin and folic acid), spelt, water, yeast, sea salt

Contains: wheat

Net Wt. 32 oz. (2 lbs.)

MADE IN MY COZY HOME KITCHEN

Permit #PR16687
Issued in Placer County

## Permit from county Department of Environmental Health

- Class A: direct to consumer sales only (such as at farmers' markets, from your home, at special events or anywhere where you, your household/family member or your employee sell directly to the consumer)
  - No kitchen inspection
- Class B: indirect (and direct sales): can also sell wholesale to restaurants, cafes, grocers
  - Kitchen inspection needed

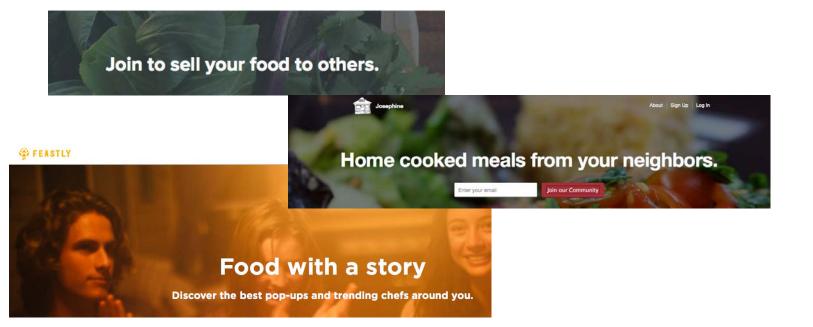
#### More Information

- www.theSELC.org/food
- County Departments of Environmental Health provide permits
  - CA Department of Public Health maintains the list of allowed foods

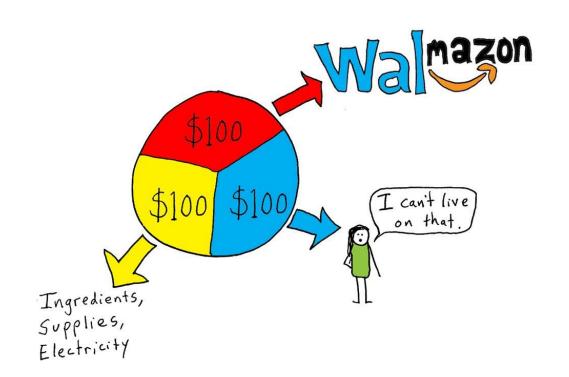


## Homemade meals advertised online is a big thing now...

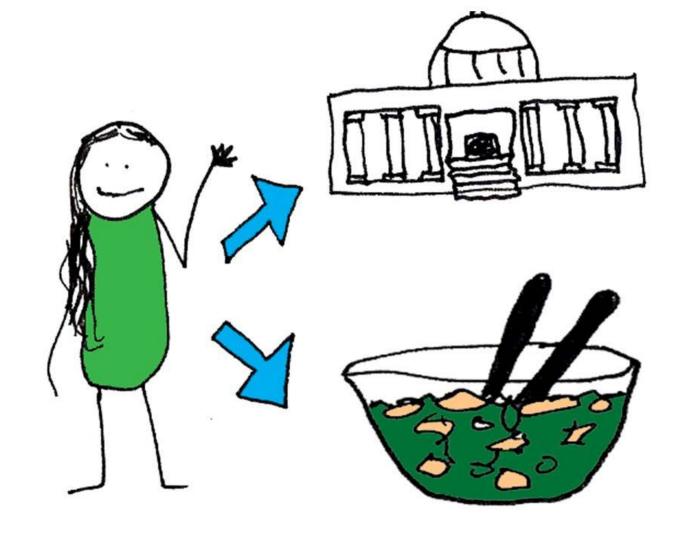




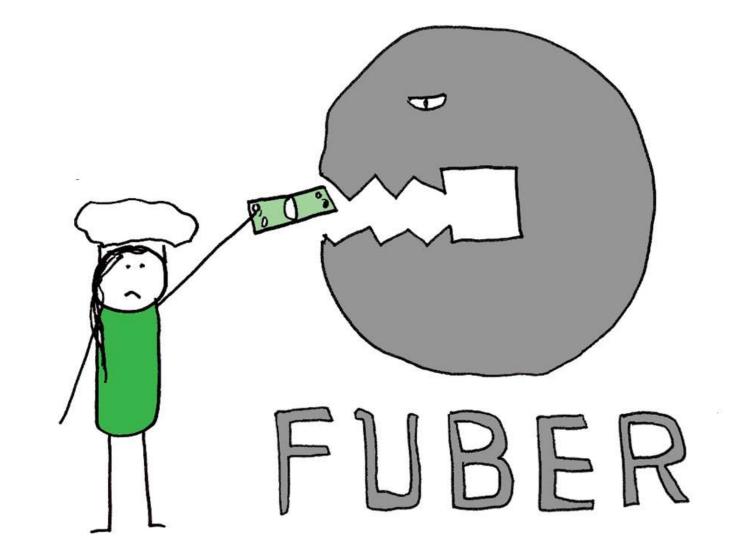
## The Uberization of Food?





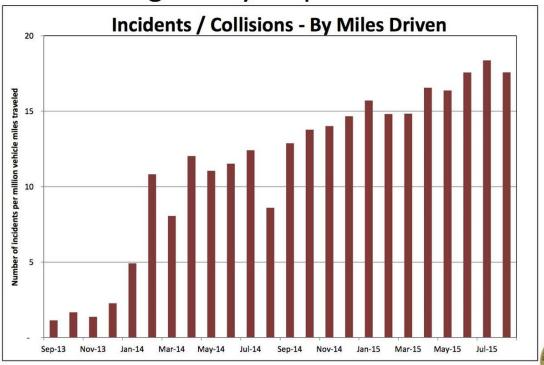




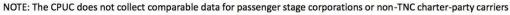




#### Regulatory Requirement k



From CA Public
Utilities
Commission's
compilation of
2014 and 2015
Transportation
Network reports.









## Worker Cooperatives

- •Owned by the workers!
- Workers share profits in proportion to each worker's contribution to the cooperative
- One member; one vote
- Sometimes all workers are on the board of directors
- Sometimes workers elect the board



## Examples of Worker Cooperatives in the Food Industry in the Bay Area





1268 VALENCIA \* SAN FRANCISCO

#### ARIZMENDI/CHEESE BOARD

BAKERY AND PIZZERIA













#### **Other Avenues**

3930 Judah Street San Francisco, CA 94122 (415) 661-7475

Open 363 days, 8am-9pm. CLOSED MLK, Jr. Day and MAY 1st.



## Simple Business Entities

- If you do nothing, you have a: Sole
   Proprietorship
- If you and your business partner do nothing, you have a: Partnership

#### These have no liability "shields"

# Corporations and LLCs protect owners, shareholders, employees from liability...most of the time.

## **Entities Limited Liability**

**Formal Business** 

## **Companies (LLCs)**

- (just one type)
- **Corporations** 
  - "C" Corporations
  - "S" Corporations Benefit

Social Purpose Corp.

- Corporations

Consumer-owned Producer-owned

Cooperatives

- Hybrid or multistakeholder

Worker-owned

- **Nonprofit Corporations** 
  - Nonprofit Public Benefit Nonprofit Mutual Benefit

## Running a Corporation

- Must have officers, and a board of directors, which is responsible for complying with laws, taking care of the corporation
- Must have Articles and Bylaws
- Must file corporate taxes
- Must have at least one annual meeting
- Must keep records, provide notice of meetings, etc.
- Honor shareholder rights corporations are designed to have shareholders (but they do not have to)

## Resilient

Communities



### **FOOD LAW**

Resources: Check out

theselc.org/food\_resources

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