University of Nevada Cooperative Extension

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Starting a Dried Fruit and Herb Business in Nevada

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There is renewed interest in producing foods as a sideline income or for a living with the strong support for local foods. Knowing what is required to start a dried food business can be confusing. This document is a brief guide that outlines the resources and topics that should be considered to produce and sell dried fruit and herbs in Nevada. This publication concentrates on how to start production through the Nevada Cottage Food Law, since it can be a simple and economical path to selling food.

Introduction

A growing number of Nevadans are interested in turning their well-loved recipes into quality food products to sell. The Nevada Cottage Food Law effective July 2013 allows for the start-up of these small businesses and the potential for future growth. There are a few easy steps required to start a cottage food enterprise, including the cottage food application process; obtaining the proper business licensing from city, county and/or State entities; food-safety procedures; packaging and labeling; and marketing. Nevada State Environmental Health Services does not require any permits for Cottage Food Operations. This publication will outline the process by which small-food entrepreneurs can safely produce dried goods to sell to the public with an emphasis of starting by producing from the convenience of home under the Nevada Cottage Food Law. The following topics will provide the information needed to get started in producing dried foods for sale to the public.

Cottage Food Producer Checklist

☐ **Identify whether your product is a Nevada Cottage Food or not.** (See flow chart.)

☐ **Apply for a cottage food license.**

Residents of Carson City or Douglas, Washoe and Clark Counties should direct inquiries to:
Douglas & Carson City: http://gethealthycarsoncity.org/environmental-health/cottage-food/
Washoe: http://www.washoecounty.us/health/ehs/fs.html
Clark: http://www.southernnevadahealthdistrict.org/cottage-food-operations/index.php

Residents of all other Nevada counties should direct inquiries to:
http://health.nv.gov/BFHS_EHS.htm

☐ **Address business requirements.**
https://www.sba.gov/category/navigation-structure/starting-managing-business

- Obtain licenses
- Obtain insurance
- Create a simple business plan

☐ **Understand cottage food and other health department requirements.**

☐ **Find food ingredients.**

- Approved sources
- Select, store and prepare
- Lifespan
- Handling frozen ingredients

☐ **Implement needed safety when baking goods.**

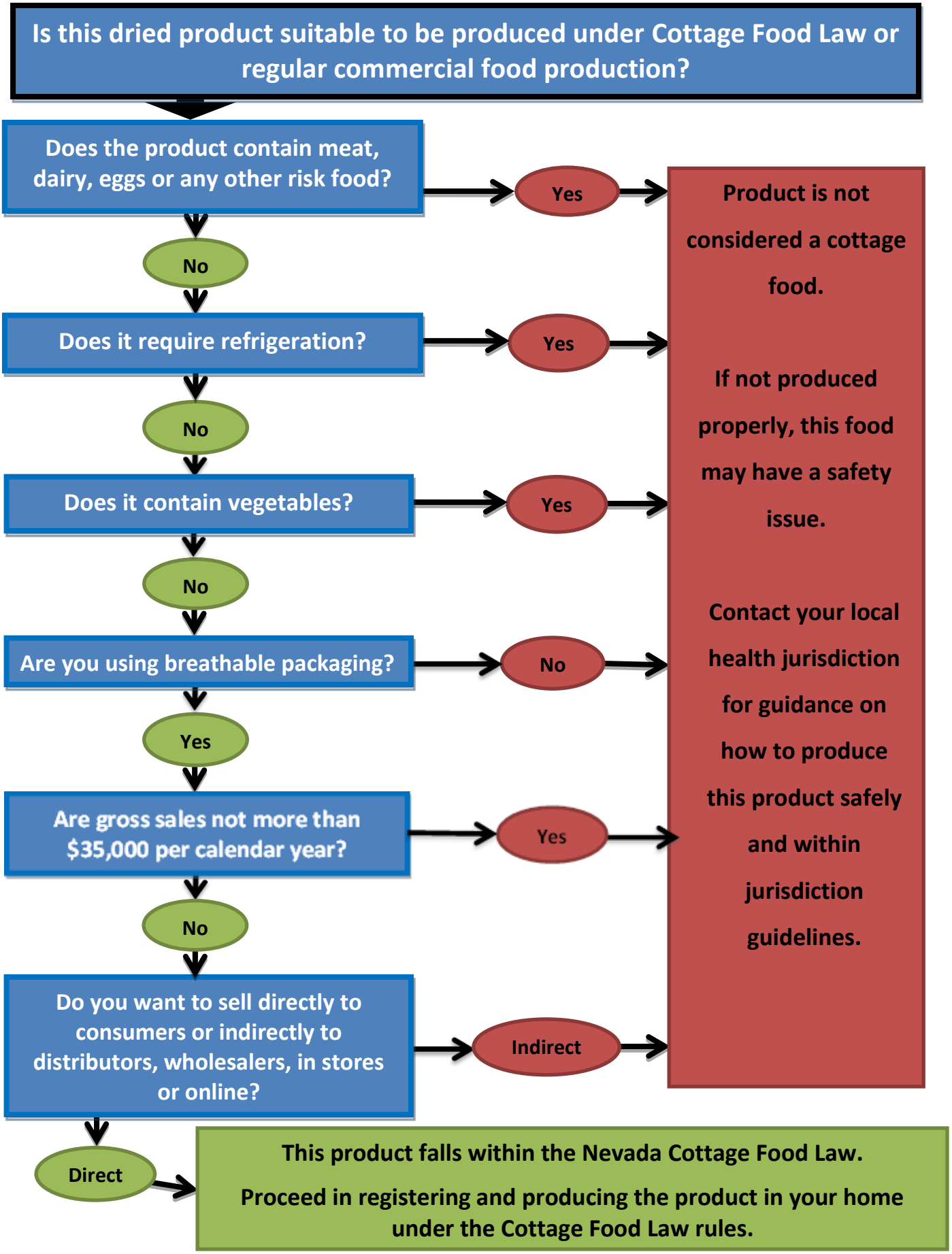
- Workspace preparation
- Proper hand washing techniques
- Care of dehydrating equipment
- Procedures to ensure food safety and quality

☐ **Create a label for cottage foods.**

☐ **Select packaging for dried food products.**

☐ **Price and market your food product to gain a net income.**

☐ **Producing beyond cottage food.**


Is this dried product suitable to be produced under Cottage Food Law or regular commercial food production?
Does the product contain meat, dairy, eggs or any other risk food?
Yes
No
Does it require refrigeration?
Yes
No
Does it contain vegetables?
Yes
No
Are you using breathable packaging?
No
Yes
Are gross sales not more than $35,000 per calendar year?
Yes
No
Do you want to sell directly to consumers or indirectly to distributors, wholesalers, in stores or online?
Indirect
Direct
Product is not considered a cottage food.
If not produced properly, this food may have a safety issue.
Contact your local health jurisdiction for guidance on how to produce this product safely and within jurisdiction guidelines.
This product falls within the Nevada Cottage Food Law.
Proceed in registering and producing the product in your home under the Cottage Food Law rules.

Nevada Cottage Food Law

The checklist on Page 2 outlines the considerations and steps for starting a cottage dried fruit or herb business. The flow chart on Page 3 will help you determine whether your dried food product falls under the Nevada Cottage Food Law, or if it should be produced for sale in accordance with State and local health regulations for food processing in a certified kitchen.

Dried fruits and herbs and seasoning mixes are allowed to be manufactured in a Cottage Food Operation as long as they fit within cottage food guidelines.

According to NRS 446.886, a Cottage Food Operation is "a person who manufactures or prepares food items in his or her private home, a non-food establishment setting, for direct sale to an end customer" and "whose gross sales of such food items are not more than $35,000 per calendar year" (http://www.leg.State.nv.us/NRS/NRS-446.html). This means any resident of a Nevada community may manufacture food items that fall within the list of foods approved by the State of Nevada and sell them directly to consumers once registered with Nevada or a county health department as a cottage food business and while they follow NRS 446.886. The full text of NRS 446.886 is included in the Appendix of this document. Cottage Food Operators should be familiar with the Nevada Cottage Food Law and ensure the law is being followed.

Residents of Carson City, Douglas County, Washoe County and Clark County with cottage food questions should contact:
Carson City Health and Human Services, 775-887-2190, for Carson and Douglas, see http://gethealthycarsoncity.org/environmental-health/cottage-food/;
Washoe County Health District, 775-328-2400, for Washoe County, see http://www.washoecounty.us/health/ehs/fs.html; and Southern Nevada Health District, 702-759-0588, for Clark County, see http://www.southernnevadahealthdistrict.org/cottage-food-operations/index.php.

Residents of other counties can obtain the Cottage Food Law and pertaining documentation, including the application and guide, on the State of Nevada's Health and Human Services website (http://health.nv.gov/BFHS_EHS.htm). The form may be printed to complete and mail in or be filled in online and emailed to the State. The form is simple, and some of the information requested includes name and physical address of establishment, owner name, contact information and the specific cottage food items to register. The State does not currently have registration fees in place; however, county or city entities may have additional registration and/or food-safety requirements, including fees and training. Be sure to follow what is required by local county and city health districts or authorities.

You Have Been Approved – Now What?

Selling food from your home is a business. A business needs some basic planning, especially food businesses, since there are low margins, and most entrepreneurs that do not do basic planning lose money. The Small Business Administration agency (https://www.sba.gov/category/navigation-structure/starting-managing-business) provides excellent business resources online that provide guidance on areas that businesses need to consider, such as licensing, insurance, taxes, etc. In Nevada, business development support is provided in person by Small Business Administration offices (http://www.sba.gov/offices/district/nv/las-vegas) and the Nevada Small Business Development Centers (http://nsbdc.org/).

As a business, all necessary business licenses need to be obtained. Cottage Food Operators must obtain a proper business license from city, county and/or State entities before products may legally be sold.

Cottage food businesses may be exempt from the requirements of the State business license if they fit within the home-based business exemption found in NAC 76. Chapter 76 defines a home-based business as "a natural person who operates a business from his or her home and whose net earnings from that business are not more than 66 $^{2}/_{3}$ percent of the average annual wage" (www.nvsos.gov/index.aspx?page=273#383.) Currently, 66 $^{2}/_{3}$ percent of the 2013 annual wage is $26,900. Cottage food businesses meeting this exemption must still submit the State Business License form without the fee, stating the specific exemption. County and city entities have their own business licensing requirements, and Cottage Food Operators need to contact those offices to determine what is required for the location of their cottage food businesses.

Food Safety Is for Everyone

Cottage Food Production Safety

Just as any restaurant or food manufacturer needs to follow food-safety regulations, Cottage Food Operators should consider food-safety practices, and the importance of food safety should be understood.

Why is food safety important for Cottage Food Operators? Though the State only requires Cottage Food Operators to include a prominent label on each product stating "MADE IN A COTTAGE FOOD OPERATION THAT IS NOT SUBJECT TO GOVERNMENT FOOD SAFETY INSPECTION," if someone were to contract a foodborne illness from a cottage food product, that person has the right to report the illness and Cottage Food Operator to the State. This is why contact information is required to be placed on food product labels. The "Cottage Food Guide for Rural Nevadans" states: "Although food safety information is available on our web site for Cottage Food Operation applicants, it is highly recommended that applicants further educate themselves about safe food handling principles and practices. According to SB206, a Cottage Food Operation may be held financially responsible for the cost of the complaint and/or foodborne illness investigation, if found to be valid." Ingredients and products produced and sold should be tracked with a simple system. When proper food-safety procedures are followed, they help to prevent the spread of foodborne illness, protecting consumers and manufacturers. The State has provided basic sanitation and food-safety guidelines for Cottage Food Operators in the "Cottage Food Guide for Rural Nevadans" found at http://www.health.nv.gov/PDFs/CottageFoodsGuide.pdf.

These guidelines include the following:

1. The preparation, packaging and handling of cottage foods should take place separately from other domestic activities, such as family meal preparation, dishwashing, clothes washing, kitchen cleaning or guest entertainment.
    - Do not allow smoking during a Cottage Food Operation.
    - Do not allow anyone with a contagious illness to work in the Cottage Food Operation while ill.
    - Wash hands and exposed portions of arms before any food preparation or packaging.
    - Minimize bare-hand contact of food by using utensils, single-use gloves, bakery papers or tongs, especially when preparing and packaging ready-to-eat foods.

2. Keep all kitchen equipment and utensils used to produce cottage food products clean and in good condition.

- Wash, rinse and sanitize all food contact surfaces, equipment and utensils before each use.
- Ensure water used during the preparation of cottage food products meets potable drinking water standards.
- Keep all food preparation and food and equipment storage areas free of rodents and insects.

3. Keep all food that is manufactured, produced, prepared, packed, stored, transported, and kept for sale free from adulteration and spoilage.
    - Get ingredients from approved sources.
    - Protect food from dirt, vermin, unnecessary handling, droplet contamination, overhead leakage or other environmental sources of contamination.
    - Prevent cross contamination of foods and ingredients with raw animal products and chemicals.
    - Prepackage all food to protect it from contamination during transport, display, sale and purchase by consumers.

Where Can You Get Food Ingredients?

Purchase produce and other food ingredients from approved sources only. Approved sources include local licensed farms (valid Nevada producer's certificate), commercial grocers and commercial food suppliers. It is important to know where food ingredients come from, and whether the supplier follows food-safety protocol. Licensed suppliers comply with State and federal regulations in order to maintain their licenses. These processes ensure customers that their food products are safe. Recalls of food products due to safety issues often occur for ingredients due to contamination, missed labeling of allergen ingredients, or contamination by pathogens or debris. By tracking the ingredients used, you will be able to determine if your product contains the dangerous recalled ingredients or if your product is safe.

Safely Selecting, Storing and Preparing Ingredients

Ingredient selection, storage and preparation contribute to food safety. Select ingredients that are in sound condition and check for spoilage, contamination and adulteration. Promptly store ingredients that need refrigeration. Throw away leftover cut produce that is left at room temperature longer than two hours.

Wash all fresh fruits and vegetables with cool tap water before using. Wash produce before peeling in order to prevent dirt and bacteria from transferring from the peeler or knife onto the fruit or vegetable. In order to reduce bacteria that may be present, dry produce with a clean cloth or paper towel.

If you shop using reusable grocery bags, clean them regularly. Wash canvas and cloth bags in the washing machine, and wash plastic reusable bags thoroughly with hot, soapy water.

Dehydration temperature should be greater than or equal to 165 F to kill dangerous organisms. To keep the product safe, the highest priority is to

lower the amount of water throughout the product quickly. The product must reach safe low water availability without resulting in case hardening. Water availability is the measure of the amount of water available for microbes to live on a product. Low water availability means less or no growth of microbes. Case hardening happens when products dry too rapidly on their surface and they form a protective skin that locks moisture inside. This will lower quality as the product will decompose on the inside and become potentially hazardous if there are dangerous microbes inside.

To prevent case hardening, it is important that foods are prepared so they have as much exposed surface area as possible:

- Fruits should be cut into strips, slices, or wedges no more than $^{1}/_{4}$ inch at the thickest part. Small items such as raspberries can be left whole.
- Purees for fruit leather should be spread evenly, no thicker than $^{1}/_{16}$ inch.
- Batters for crackers or dried bars should be spread evenly, no thicker than $^{1}/_{8}$ inch.

Life of Ingredients

Foods may develop an off odor, appearance or flavor due to bacteria spoilage. If a product has these characteristics, do not use it. If foods are mishandled, the chances of bacteria and pathogens increase, as does the risk of foodborne illness – before or after the date on the package. Examples of mishandling include food being left unrefrigerated longer than two hours or being handled by someone who does not practice proper sanitation practices. Be sure to follow handling and preparation instructions on product labels to ensure quality and safety.

Safely Using Frozen Foods

When using frozen fruits, vegetables or other foods, it is important to be aware that as soon as these foods begin to thaw and become warmer than 40 F, any bacteria present before freezing can begin to multiply. Frozen foods must remain frozen until ready to thaw and use.

The USDA recommends three safe ways to thaw foods:

1. in the refrigerator,
2. in cold water (in a leak-proof bag and changing cold water every 30 minutes),
3. or in the microwave.

If using frozen fruit for dehydrating, do not thaw it in the microwave. Never thaw frozen foods on the countertop.

Prepping Your Workspace

Another food-safety consideration is how to properly clean the kitchen and utensils before preparing cottage foods. Having a clean workspace is integral to preventing the spread of contaminants and foodborne illness. Keep kitchen surfaces such as countertops, utensils, cutting boards and appliances clean with hot, soapy water. Consider using natural cleansers to avoid possible sensitivities to chemicals such as bleach, though bleach is often recommended for disinfecting surfaces. Immediately clean counters with drips or spills of raw egg and dispose of or change the cloth used. Do

not use unclean or smelly dishcloths, towels or sponges, as this is a sign of potential bacterial growth. Dishcloths and towels should be washed often and in the hot cycle of the washing machine. Hot pads should be washed frequently. Utensils should be washed in hot, soapy water or run in the dishwasher on the hot wash setting.

It is recommended to have a cutting board specifically for produce in order to prevent cross-contamination between raw meats and fresh produce. Always use a clean cutting board and wash it thoroughly in hot soapy water after use. Cutting boards may also be washed in a dishwasher. To disinfect a cutting board, a fresh solution of 1 tablespoon of unscented, liquid chlorine bleach per gallon of water may be used. Flood the surface with the bleach solution and let stand for several minutes. Rinse with water and let air dry.

When using bleach as a cleaning and disinfecting agent, be sure to check the percentage on the bottle is 5 percent sodium hypochlorite, as some generic brands sell bottles of bleach with a lower percentage.

Drying Equipment

Drying equipment, including dehydrators, trays/liners, utensils or any other equipment, should be clean and in proper working order. Use produce that has been stored correctly. Fresh, raw produce should be cleaned with a sanitizing agent then rinsed again in running water. The most common sanitizing agent is unscented bleach less than or equal to 200 parts per million (ppm) which equals 1 tablespoon bleach per 1 gallon of water. Once produce has been cut into pieces, it should be rinsed in cool running water.

Product Traceability

Knowing where ingredients come from allows Cottage Food Operators to know where sources of possible contamination originate if there were to be a complaint about a food product. It is highly recommended to create a simple system to record what ingredients are used and their sources for every batch of product produced.

Commercial operations are required to develop detailed documentation and records for each product produced and sold. By following State and federal regulations, these records detail the how, where and when of the safety practices for each product. These records are not required for Cottage Food Operations; however, by becoming familiar with what is required by State and federal regulations for regular commercial food production, Cottage Food Operators will better understand what is needed to keep cottage food products safe for consumers. By keeping simple records that include details of where each ingredient is sourced from, creating batch numbers for each batch of products produced, and recording food-safety practices, food operators will be prepared to identify possible sources of contamination, if they occur, or simply be reassured of the steps taken to produce a high-quality, safe product. Additionally, they will be better prepared to transition from cottage food production to commercial production in a licensed kitchen.

Handwashing

Proper handwashing is important to food safety, and the following handwashing steps are useful to put into practice:

How to Wash Your Hands…	
Rinse hands under clean running water. Apply soap. Rub hands vigorously for 10 to 15 seconds, removing dirt from under fingernails, surfaces of hands and exposed portions of arms.	Rinse hands thoroughly under clean running water. Dry hands thoroughly with a clean towel or single-use disposable towels. If possible, use a towel to turn off the faucet.
Wash Hands Before You…	**Wash Hands After You…**
Handle or prepare food	Prepare food Touch raw food, especially meats Switch food-preparation tasks Touch eggs Use the restroom Cough or sneeze Handle dirty dishes or garbage Pet animals Smoke Use the phone Touch hair, face, body or other people Touch a sore or cut

Telephone calls and many other distractions can cause your hands to become contaminated. It is important to clean your hands or change your gloves again before handling food. Take precautions to avoid contamination of work areas during food production.

Labeling Requirements and Considerations for Cottage Food Products

NRS Chapter 446.886 has specific labeling requirements for foods prepared in a Cottage Food Operation. The foremost label required must State: "MADE IN A COTTAGE FOOD OPERATION THAT IS NOT SUBJECT TO GOVERNMENT FOOD SAFETY INSPECTION." This label must be prominently affixed to each product.

Additional required labeling information should be prominent and conspicuously in English. Print size should be at least 1/16 of an inch based on the lowercase letter "o." Label information must include the following:

1. Statement of identity – the common name (i.e., dried oregano) or the descriptive identity (i.e., Joel's Organic Dried Oregano) of the packaged food item.

2. Net quantity of contents – net weight in ounces, pounds or grams; or net content in fluid ounces, pints or liters; or number of pieces.

3. Ingredient statement – a list of ALL ingredients, in descending order of predominance by weight. This includes listing all ingredients of an ingredient that in itself contains more than two ingredients.

4. The name and physical address where the product was manufactured, packaged or distributed.

5. Declaration of any food allergen contained in the food, unless the food source is already part of the common or usual name of the product or clearly identified in the ingredient list.

Major food allergens include milk, eggs, fish, crustacean or bivalve shellfish, tree nuts, wheat,

peanuts and soybeans, and any ingredient that contains protein derived from any one of these ingredients or additives.

Allergen information must be included in one of two ways:

- In parentheses following the name of the ingredient, for example: lecithin (soy), flour (wheat) and whey (milk); or
- Immediately after or next to the list of ingredients in a "contains" statement. Example: Contains wheat, milk and soy.

Food allergens are critical. Follow the guidelines pertaining to food labeling closely.

Federal guidelines for food product labeling differ and should be taken into consideration if moving from cottage food production to commercial production. The Federal and Drug Administration guidelines for food labeling can be found at http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm2006828.htm.

Sample Cottage Food Label

Dried Apples

2 oz.

Ingredients: Apples, lemon juice.

Contains: (allergen would be here if there was one).

MADE IN A COTTAGE FOOD OPERATION THAT IS NOT SUBJECT TO GOVERNMENT FOOD SAFETY INSPECTION

Desert Wonders by George
100 Goodie Road, Caliente, NV 89008
775-726-XXXX

Packaging Considerations

Packaging must be durable in order to protect food items from contamination during transport, display, sale and purchase by consumers. Packaging for dried foods must be breathable, meaning the packaging must transmit oxygen through it, or it is considered reduced-oxygen packaging. In Nevada, reduced-oxygen packaging is a special process that requires prior approval by the health authorities, special training, plan review and a Hazard Analysis and Critical Control Points plan. Reduced-oxygen packaging is prohibited in the Cottage Food Operation because it can be very dangerous by providing the environment for the growth of health-hazardous organisms without any appearance of a problem. Reduced-oxygen packaging includes:

- vacuum packaging
- modified or controlled-atmosphere packaging, which includes oxygen-scavenging packaging (includes oxygen remover packets).

Plastic bags, paper bags and clamshells are examples of packaging that may be used. If unsure whether packaging is considered reduced oxygen packaging, contact the manufacturer and ask about the oxygen transmission rate. If there is any number above 100cc $O^2/m^2/24$ hours for oxygen transmission, the packaging is not considered to be reduced-oxygen packaging.

Pricing and Marketing Your Product

Determining a price and plan to market a local food is often challenging because there are many variables that should be considered (University of Maryland, 2014). The price of a product can be set according to the value that it provides for the customer. You need to know your customers' likes, needs and willingness to pay for the product. Each product must provide a solution for your customers. For example, a local food may remind customers of a pleasant past when it tastes like food their Grandma made, has a story that creates a connection back to nature, or is developed with healthy ingredients to fulfill a health need or desire. It is important to provide a product that is more than just food, because the small scale of local foods makes them higher priced to make than similar products in the grocery store.

The price must cover your cost of producing the product and the desired net income for the business. Many small businesses ignore this step, which results in losing money over time. A simple calculation of costs can ensure that the product will make an income and not lose money.

Although calculating your costs and returns is considered a burden to many small business managers, it can create peace of mind to determine how to receive an income for all of the work.

Calculation for pricing of dried apples

Cost for 10 oz. dried apples ingredients:
5 lbs. apples, 3 tsp. lemon juice = $7.28
Packaging: 5 clamshell containers = $0.885
Coring, slicing, dehydrating and packaging labor:
33 minutes x $11.50/hour = $6.325
Total cost of goods $7.28 + $0.885 + $6.325 = $15.01 for 10 oz. dried apples in 5 packages
$15.01 cost for 5 packages equals $3.00 per 2 oz. package.

↓

16 packages of dried apples are $^{1}/_{8}$ of total goods sold at market.
Transportation: 36 miles roundtrip to market x $0.56/mile = $20.16
Marketing and selling labor: 15 minutes on social media and 3 hours for market x $11.50 = $37.375
Cost of selling at the market
$20.16 + $37.375 = $57.535
Market cost attributed to the dried apples
$57.535/8 = $7.19
Market cost for dried apples per container
$7.19/16 = $ 0.45

↓

Market cost $0.45 + cost of goods per container $3.00 = $3.45 per container

↓

50% additional costs: damaged and unsold product, kitchen costs, advertising, signs, etc. = $ 1.725

↓

$3.45 + $1.725 = $5.175

↓

Market space fee 5% of sales:
5% of $5.175 = $0.259

Price per container of 2 oz. of dried apples will need to be at least $5.175+ $0.259 = **$5.44**

Using this calculation will help to determine which foods can provide an income and have a cost of production within the range that customers are willing to pay (Lewis, 2013). Some local foods cost more to produce than customers are willing to pay.

You must know where you can position the product information and sales to access the targeted customers. In order to sell your product to the targeted customers, they must learn enough about the product to want to buy it, and then be able to conveniently buy it. It is important to plan for time and costs associated with gaining access to customers (Gatzke, 2012). Knowing your customers' habits will help determine where to access them.

Modern customers with interest in local food want to know the story behind the product, such as who produced it and how it provides a solution for their needs (Ettenson et.al, 2014). Customers can find products for cheap prices at large stores. With Internet access, what customers seek is to be educated on what they can get to solve their query. They will be willing to pay more for a product with which they feel connected.

The higher cost to make local food requires making a food that is unique and exceptionally high quality, provides something to learn and a solution to the customers' desires, and is conveniently available for purchase. More detailed and accurate information to help price a local food will be available in a Special Publication, Pricing and Marketing Local Foods, in 2015.

Sales may be made from the Cottage Food Operator's private property or site of manufacture; or from a farmers market, swap meet, flea market, church bazaar, garage sale or craft fair. Foods cannot be sold at or through another business or permitted food establishments, or sold for resale. For example, cottage foods may not be sold from or to restaurants. Farmers markets and/or swap meets are regulated by the health authority; however, cottage food products may be sold there if they remain in durable packaging with proper labeling affixed.

Advertising is great for any business, and cottage food businesses are no exception. Advertising may be done however the registered operator sees fit, including online and by phone. Orders may be received online, such as through email, or by phone, but **products are not allowed to be mailed to consumers**. Cottage food products must be sold directly and in person to consumers.

Handing Out Samples to Consumers

If no one has tried a particular recipe, how will they know they want to buy it? Cottage Food Operators are allowed to give out samples of cottage food products to consumers. These samples must be individually pre-portioned in closed, disposable containers at the Cottage Food Operation kitchen before distribution at the sale site. Contact the health inspector covering the region in which you are handing out samples to ensure you are in compliance.

Storage, Transport and Sales of Cottage Foods

Finished cottage food products may be stored in your residence that is registered with the State as the Cottage Food Operation. The storage area may include your kitchen, a spare room or a basement that is free of water or dampness, pests and any other insanitary conditions. The best practices guide indicates storage should not be in any exterior building, including garages, sheds or barns, for cottage food product storage (*Regulatory Guidance for Best Practices, Cottage Foods,* April 2012).

What Recipes Do Not Fit in Cottage Food Production?

Dried goods can be safe from foodborne illnesses if they are dehydrated at temperatures that destroy bacteria. **The Nevada health authority has prohibited the following dried goods from cottage production:**

- **all jerky**

- **vegetables**
- **any recipe that requires time or temperature controls for food safety (such as refrigeration)**

These recipes are not permitted under Cottage Food Law and must be submitted to a Food Processing Authority and approved by the health department before being prepared and sold to the public. Only foods on the "allowed manufactured food items list" can be sold under the Cottage Food Law.

Considerations for Selling Food Outside of the Cottage Food Laws

Perhaps the dried goods are a great success, and the time has come to consider selling out of state, to stores or distributors; or you want to produce a dried food exempt from the Cottage Food Law. In order to sell commercially outside of the Cottage Food Law, each product must be registered through the local health department. Each situation is considered on a product-by-product basis, and your local health department will provide the specific information you need.

The following are some topics that may be considered when producing a dried good for regular commercial production for:

- *Contact your local health department.*
  Speak with the person that addresses processed foods in your region, and this person will inform you on what is required to produce and sell your product.

- *Find a licensed commercial kitchen for food preparation.*
  Commercial products must be processed in an inspected kitchen certified by the local health inspector. Before building a kitchen, it is recommended to rent one to gain experience and to figure out what equipment is needed. Larger cities may have incubator or community kitchens available for rent by the hour. Sometimes a local certified kitchen in a senior center, school facility or restaurant can be rented. Make sure that the kitchen is or can become approved for processing your products by discussing this with the local health inspector. If a certified kitchen is not available to rent, consider outsourcing to a co-packer. A co-packer is a company willing to produce your product for you. Look for a co-packer that has the capability and experience to make your product. There are very few co-packers in Nevada.

- *Complete food-safety training.*
  At least one person in the kitchen at all times must have food-safety (Servsafe) training. The local health agency can direct you to local classes.

- *Develop a plan outlining food-safety procedures and critical control points for each product, as well as standard operating procedures (food handling, hygiene, facility, etc.).*
  Each food product created should have a detailed paper trail for all ingredients in the food item being processed. Create a document that outlines the in-house handling of ingredients, including the date they enter the kitchen, how they are cared for (refrigeration, etc.), the way they are processed (temperature), the way they are packaged, how they are cared for post processing, and how they are properly labeled. A paper trail should also be created that documents the distribution of products to purchasers. If an ingredient is tainted, these details allow for the origin to be found and any purchasers to be alerted. The processing authority can help develop this plan simply.

- *Create labels for each food product following federal and State guidelines* (http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm2006828.htm). The label of your product needs to be sent in with the State registration. When

creating food product labeling, it is important to keep the label as simple as possible. Avoid any health claims on the label or anywhere on the packaging, as it requires extensive paperwork with an additional agency. Small-scale production allows an exemption from full labeling. If this applies, file for the exemption. Labels can be made in-house on specialty printers or ordered from printer companies. The choice will depend upon need due to volume, cost and convenience.
The simplest label requires:
Name of product
Weight/volume
List of ingredients
Care of product (such as refrigerate after opening)
Contact information leading back to processor (such as website, physical address, etc.)

Mimic labels on approved products as there are specifics in format and design. The Food and Drug Administration has a food labeling guide available online that outlines federal labeling requirements. It can be found at www.fda.gov/FoodLabelingGuide.

Remember to make a professional label, as many consumers buy based on the product's look. Run it past others with keen judgment in the area. Ensure the product has a tracking or batch code on it. Research what QR and bar scan codes you need on your label. Most stores insist on them, and smartphones have apps to use the information.

- *Submit recipes, product plans/documentation and proposed product labels to the state health authority for registration.*
  Discuss your product with the local health department to gain an understanding of what needs to be considered. Once recipes and procedures have been developed with HACCP plans and required product labels have been created, it is time to submit everything to the state for registration. Differing registration procedures and costs will correspond with the differing food products and their food-safety situation. After receiving your application, the health department will send back a formal response indicating the areas that need to be addressed to gain approval. Discuss and reply to the health department with the changes needed. Contact the health department at any time for further clarity. Their goal is to help you become a successful and safe food business.

- *Obtain any and all suggested State, county and city business licenses and insurance. Consider requirements for running a business.*
  Nevada State business license website:
  http://nvsos.gov/index.aspx?page=4

  Business areas that need to be addressed:
  https://www.sba.gov/category/navigation-structure/starting-managing-business

Appendix

Cottage Food Operations
NRS 446.866

Exemption from certain requirements; certain local governing bodies prevented from prohibiting Cottage Food Operations; registration; fee; inspection.

1. A Cottage Food Operation which manufactures or prepares a food item by any manner or means whatever for sale, or which offers or displays a food item for sale, is not a "food establishment" pursuant to paragraph (h) of subsection 2 of NRS 446.020 if each such food item is:

(a) Sold on the private property of the natural person who manufactures or prepares the food item or at a location where the natural person who manufactures or prepares the food item sells the food item directly to a consumer, including, without limitation, a farmers' market licensed pursuant to chapter 244 or 268 of NRS, flea market, swap meet, church bazaar, garage sale or craft fair, by means of an in-person transaction that does not involve selling the food item by telephone or via the Internet;

(b) Sold to a natural person for his or her consumption and not for resale;

(c) Affixed with a label which complies with the federal labeling requirements set forth in 21 U.S.C. § 343(w) and 9 C.F.R. Part 317 and 21 C.F.R. Part 101;

(d) Labeled with "MADE IN A COTTAGE FOOD OPERATION THAT IS NOT SUBJECT TO GOVERNMENT FOOD SAFETY INSPECTION" printed prominently on the label for the food item;

(e) Prepackaged in a manner that protects the food item from contamination during transport, display, sale and acquisition by consumers; and

(f) Prepared and processed in the kitchen of the private home of the natural person who manufactures or prepares the food item or, if allowed by the health authority, in the kitchen of a fraternal or social clubhouse, a school or a religious, charitable or other nonprofit organization.

2. No local zoning board, planning commission or governing body of an unincorporated town, incorporated city or county may adopt any ordinance or other regulation that prohibits a natural person from preparing food in a Cottage Food Operation.

3. Each natural person who wishes to conduct a Cottage Food Operation must, before selling any food item, register the Cottage Food Operation with the health authority by submitting such information as the health authority deems appropriate, including, without limitation:

(a) The name, address and contact information of the natural person conducting the Cottage Food Operation; and

(b) If the Cottage Food Operation sells food items under a name other than the name of the natural person who conducts the Cottage Food Operation, the name under which the Cottage Food Operation sells food items.

4. The health authority may charge a fee for the registration of a Cottage Food Operation pursuant to subsection 3 in an amount not to exceed the actual cost of the health authority to establish and maintain a registry of Cottage Food Operations.

5. The health authority may inspect a Cottage Food Operation only to investigate a food item that may be deemed to be adulterated pursuant to NRS 585.300 to 585.360, inclusive, or an outbreak or suspected outbreak of illness known or suspected to be caused by a contaminated food item. The Cottage Food Operation shall cooperate with the health authority in any such inspection. If, as a result of such inspection, the health authority determines that the Cottage Food Operation has produced an adulterated food item or was the source of an outbreak of illness caused by a contaminated food item, the health authority may charge and collect from the Cottage Food Operation a fee in an amount that does not exceed the actual cost of the health authority to conduct the investigation.

6. As used in this section:

(a) "Cottage Food Operation" means a natural person who manufactures or prepares food items in his or her private home or, if allowed by the health authority, in the kitchen of a fraternal or social clubhouse, a school or a religious, charitable or other nonprofit organization, for sale to a natural person for consumption and whose gross sales of such food items are not more than $35,000 per calendar year.

(b) "Food item" means:

(1) Nuts and nut mixes;
(2) Candies;
(3) Jams, jellies and preserves;
(4) Vinegar and flavored vinegar;
(5) Dry herbs and seasoning mixes;
(6) Dried fruits;
(7) Cereals, trail mixes and granola;
(8) Popcorn and popcorn balls; or
(9) Baked goods that:
(I) Are not potentially hazardous foods;
(II) Do not contain cream, uncooked egg, custard, meringue or cream cheese frosting or garnishes; and
(III) Do not require time or temperature controls for food safety.

(Added to NRS by 2013, 512)

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