

How to Start a Business Selling Food in East Cleveland

Produced for Loiter East Cleveland

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**FOOD LAW
and POLICY CLINIC**
HARVARD LAW SCHOOL

HOW TO START A BUSINESS SELLING FOOD IN EAST CLEVELAND

It is easy to make money by feeding your neighbors. Cooking meals, baking cookies, making jams—all are opportunities to generate income and help community members. You can even sell these foods straight from your home. There are very few start-up costs. And selling your own food and buying it from neighbors keeps the money in the neighborhood, preventing it from going to outside companies.

This guide will help you take advantage of Ohio's laws to start your own business at home and start making money. This guide was produced by the Harvard Law School Food Law and Policy Clinic to support the work of Loiter East Cleveland.



Who should sell food from home?

Anyone who has an interest in cooking! Ohio laws offer a range of opportunities to sell food made at home, which can fit many different interests, schedules, lifestyles, and time commitments.

You might be a good candidate to start selling homemade food products if:

- You like hosting and cooking for lots of people
- You have space to seat a lot of people at home
- You have a special recipe that you like to make
- You enjoy growing and drying your own herbs
- You have extra bedrooms that you are comfortable sharing
- You like spending time in the kitchen
- You want to make money in your spare time
- You enjoy making friends and meeting new people

What kinds of food products can I sell from home?

There are four different ways that Ohio laws let people sell food from home. Each one has different requirements and might fit your situation better. You also do not have to choose! Each opportunity can be pursued in combination with others.

These four types of home food businesses are:

HOME-COOKED MEALS

BEDS AND BREAKFASTS

HOME BAKERIES

COTTAGE FOOD OPERATIONS

We will now go through the different requirements for each type of business.

How can I sell home-cooked meals?

Selling meals from home is the easiest ways to start a food-based business so long as you stay under certain meal caps. You do not need to fill out any paperwork, register with the state, or get a license or inspection.

Without any extra work, you can sell up to 115 meals per week for people to eat inside your home, as well as up to 20 meals per week for people to take away and eat outside your home.

To sell 115 meals per week—the most allowed—you would be able to serve an average of 17 people every night of the week at home. You can also sell fewer meals overall, or only sell meals a few nights a week. You just can't exceed 115 meals sold in a week.

If the thought of hosting people at your house for dinner sounds difficult and challenging, or if you do not own your home, you can still make money by selling your 20 meals per week to-go.

Regardless, all you need to do to run your own micro-restaurant from home is to start cooking and follow a few simple rules:

1. You must display a sign that your customers can see letting them know that you are not a licensed food establishment.
2. If selling meals to be consumed on site (the 115 meals rule), you can only cook and sell food from a home that you own and occupy. You can sell 20 meals to-go even if you are renting or from someone else's home that you do not occupy!
3. You cannot hire someone to help you cook who lives outside your home.

How can I start a bed and breakfast?

If you have a little more space and are comfortable hosting people over the night, you do not need a license to start your own bed and breakfast. You can sell meals to up to 16 guests in your bed and breakfast.

Like home-cooked meals, there are only a few restrictions.

1. Your bed and breakfast must be in a home that you own and occupy.
2. You can host guests in up to six bedrooms.
3. You can only sell breakfast.
4. You can host up to sixteen guests at a time.



How can I start a home bakery?

Lots of baked goods can be sold from the home without many restrictions. Unlike home-cooked meals, there is no limit on the number of home-prepared baked goods you are allowed to sell. Home-prepared baked goods can also be sold or eaten anywhere!

To start your home bakery, you need to register with the Ohio Department of Agriculture, Food Safety Division. It costs \$10 to register as a home bakery.

After registering, the Ohio Department of Agriculture, Food Safety Division will send someone to inspect your home. They are doing this to make sure that your home is clean and can sell safe baked goods.

They will check to make sure that you:

- Have a mechanical refrigerator with a thermometer.
- Have only one oven, in an ordinary home kitchen stove.
- Do not have any pets.
- Have a clean and sanitary kitchen.

These requirements—and the inspection—make sure that your kitchen is a safe place to bake.

In addition, you will need to sell your baked goods with a label.

**This label will
need to say:**

- The product's name, or what the baked good is
- How much it weighs
- What ingredients you used to make it
- The name of your home bakery
- Your address
- Whether the baked good needs to be refrigerated

Your label should look something like this below:

<i>Chocolate Chip Cookies</i>	
INGREDIENTS: FLOUR, SUGAR, BUTTER, CHOCOLATE CHIPS, BAKING SODA, VANILLA EXTRACT, SALT.	
Your Cookie Company 1234 Euclid Avenue East Cleveland, OH 44112	
NET WT 8 OZ (227 g)	Keep Refrigerated

These requirements make sure people know what they are buying, stops them from getting sick, and prevents them from having an allergic reaction.

How can I start a cottage food operation?

Cottage foods are food products that are low-risk and do not need to be kept at a specific temperature to be safe to eat. Ohio has a list of cottage foods that residents can sell without needing a license or permit. If you have a food that you like to make—and it is on the list allowed by Ohio—then it can be a great opportunity to start your business from home.

To operate a cottage food operation, you do not need any permit or license and you do not need to register with the state. And like home bakeries, there is no limit on the revenue or sales amount. Cottage foods can be sold at a farmers' market, direct to consumers, or even at grocery stores or restaurants, as long as the sale occurs within the state of Ohio.

The complete list of what is allowed can be found below, along with a list of examples of foods that are not allowed to be sold from a cottage food operation. The full list of allowable cottage foods from the Ohio Department of Agriculture is below, though foods may be added when the Department updates its rules every five years. The last update occurred in January of 2022

Cottage Food in Ohio
Know the law!

ALLOWED
(Full List)

- Baked goods that do not require refrigeration, like bread, cookies, brownies, cake, fruit pie, fruit cobbler.
- Candy
- Fruit Jams
- Fruit Jellies
- Flavored honey produced by an exempt beekeeper
- Fruit chutneys, non-acidified
- Fruit butters
- Granola, granola bars dipped in candy
- Maple sugar produced by an exempt maple syrup producer
- Popcorn, flavored popcorn, kettle corn, popcorn balls, caramel corn
- Unfilled baked donuts
- Waffle cones and waffle cones dipped in candy
- Pizzelles
- Dry cereal and nut snack mixes with seasonings
- Roasted coffee, whole beans or ground, flavoring permitted
- Dry baking mixes in a jar (other pkg permitted)
- Dry herbs and herb blends
- Dry tea blends
- Dry soup mixes
- Dry seasoning blends

NOT ALLOWED
(examples, not all-inclusive)

- Any item that requires refrigeration to keep from spoiling, including fresh fruit garnishes or fillings.
- Candy covered fresh fruit
- Freezer jam
- Sugar-Free jams/jellies/fruit butters
- Fresh pasta
- Dehydrated fruits or herbs
- Cheesecake, cream pie, pumpkin pie
- Fry pies
- Popping corn
- Acidified foods (ex: pickles, relishes)
- Salsa
- Hot pepper butter, pumpkin butter, nut butter
- Hummus
- Waffles or Belgian waffles
- Raw pizza dough, cookie dough
- Cream cheese frosting
- Beef jerky
- Meals

Source: Cottage Foods, Ohio Dep't of Ag., Food Safety Div., <https://agri.ohio.gov/divisions/food-safety/resources/cottage-food> (last visited Mar. 24, 2022)

You will also need to sell your cottage foods with a label similar to the one used for baked goods. In addition, a cottage food label must include the following statement in 10 point type font: "This Product is Home Produced."

This label will need to say:

- The product's name, or what the product is
- How much it weighs
- What ingredients you used to make it
- The name of your cottage food business
- Your address
- A label stating: "This Product is Home Produced"

It should look something like below.

<i>Herb Blend</i>	
INGREDIENTS: PARSLEY, MINT, CILANTRO	
Your Herb Mix Company 1234 Euclid Avenue East Cleveland, OH 44112	
NET WT 8 OZ (227 g)	This Product is Home Produced



Conclusion

Making and selling food is a great way to show off your cooking skills and gain extra income. Whether you host meals at your house, sell baked goods at a farmer's market, or sell cottage foods to a local restaurant, you have an opportunity to feed your neighbors, grow your community, and earn money. A handy chart is included on the next page summarizing the specific exemptions. For more information about the range of foods you can grow, produce, and sell from your home in East Cleveland, as well as policy opportunities for changes to expand home-produced foods, visit our longer report at chlpi.org/wp-content/uploads/2023/08/Loiter-East-Cleveland-Legal-Background-V3-Final.pdf.



Home-Cooked Meals (Consumed in the home)

Laws and Links: Ohio Rev. Code §3717.42(B)(13)

115

Meals/week

Restrictions:

- Must be produced and sold from owner-occupied home;
- Display a sign that that you are not a licensed food establishment.
- No cooks living outside the home.

Home-Cooked Meals (To Go)

Laws and Links: Ohio Rev. Code §3717.42(B)(14)

20

Meals/week

Restrictions:

- Display a sign that that you are not a licensed food establishment.
- No cooks living outside the home.

Bed and Breakfasts

Laws and Links: Ohio Rev. Code §3717.42(B)(2)

6

Bedrooms

16

Guests

Restrictions:

- Must be owner-occupied home;
- You can only serve breakfast.

Home Bakeries

Laws and Links:

agri.ohio.gov/divisions/food-safety/resources/home-bakery

**No
Limit**

Restrictions:

- Meet label requirements;
- Pay \$10 to register with the Ohio Department of Agriculture, Food Safety Division;
- Undergo an inspection.

Cottage Foods

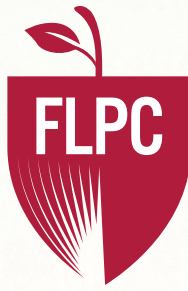
Laws and Links:

agri.ohio.gov/divisions/food-safety/resources/cottage-food

**No
Limit**

Restrictions:

- Meet label requirements;
- Only sell allowed foods;
- Only sold within Ohio.



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