

The Community Kitchen Incubator is the centerpiece of ACENet's Food Ventures Network, which also includes microloans, business and financial planning assistance, food production and processing information and training, links to industry experts, and links to other specialty food businesses within its network of firms. (See page 56 for a complete list of services.)

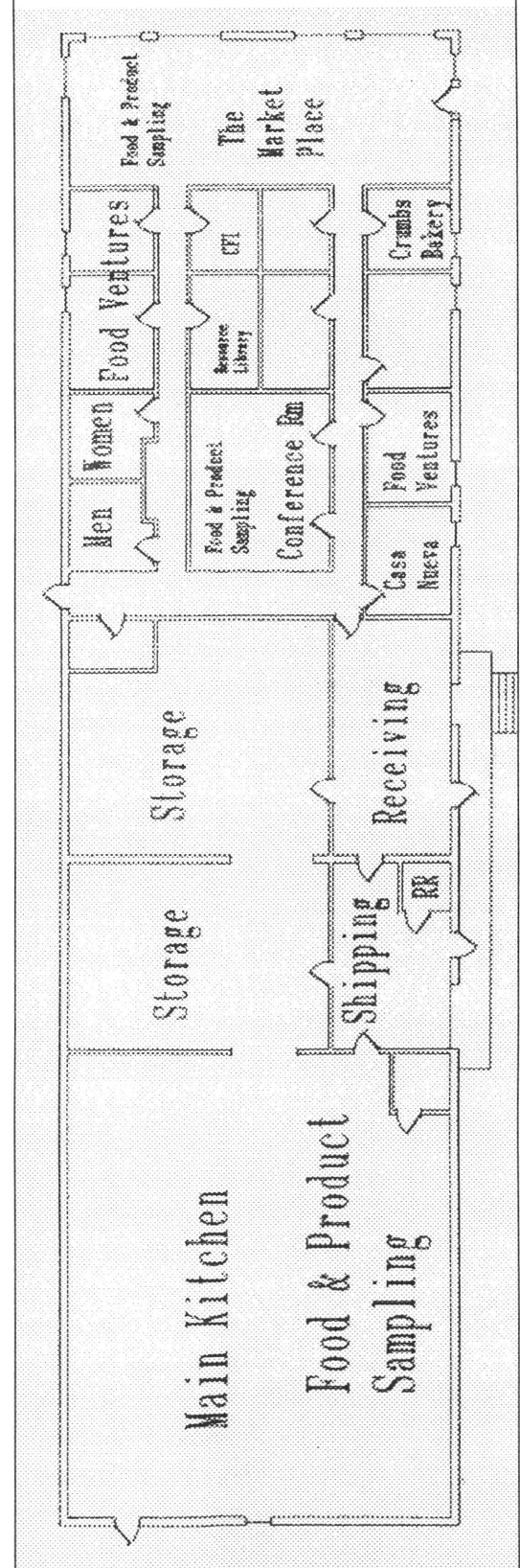
The Food Ventures Network has a staff of five including a project director, kitchen manager, business counselor, office manager, and retail sales manager.

In its first full year of operation, the Food Ventures Network assisted over 150 individuals and expanding firms. About 70 jobs were created by businesses participating in the program.

The staff do not expect the Community Kitchen Incubator to ever be fully self-sufficient. After only two years of operation, ACENet is considering expansion and renovations. They already may have outgrown their present building—testimony to the need for their facilities and services.

Mountain Kitchens (multiple kitchen network)
While ACENet's Community Kitchen Incubator is a single-site, regionally based facility straddling two states, Mountain Kitchens is a decentralized community-based network of kitchens for use by microprocessors. Mountain Kitchens is a collaboration between West Virginia's State Department of Agriculture (which provides the program staff), and Mountain Resource Conservation and Development (RC&D) of the USDA (which supplies the office space). Founded in 1993, Mountain Kitchens serves 12 counties located in the rugged country of southeastern West Virginia. Some of the counties have the highest unemployment rates in the state. The mission of Mountain Kitchens is therefore to assist home-based businesses and micro-enterprises. "Whatever it takes," says Cindy

Figure 5: ACENet Community Kitchen Incubator Floor Plan



**Geography
and culture
must be
considered
as part of an
FPI's
feasibility.**

Martel, program coordinator. "I'm dealing with people who have a dream. We're serving as an opportunity for people to decide whether they have a bankable product, and then they're going to move on [to bigger and better facilities]."

There were several reasons for establishing the network of kitchens rather than using one centralized facility. It can easily take 1 to 1½ hours to drive from one end of a county to the other due to road conditions. Also, because of widespread mining activity, access to potable water is a critical issue. Adding impetus to the multiple kitchen approach is that co-packers are not an option for most West Virginia-based small-scale processors. Cindy notes there are very few non-meat food manufacturers in West Virginia. This seems to be a real problem in terms of helping people expand through co-packers. "I've got a client now who's the only one in the state commercially making bread and butter pickles. She looked at me the other day and said she's tired of turning out 200 jars a day. The problem is she can't find a co-packer to process them for her."

Presently there are eight kitchens in the network, located at restaurants, other processors, community centers, a local resort, and even a fire station. In most cases establishing the kitchen comes with a nominal capital or equipment costs—perhaps a pH meter and chlorine tester. In a couple of other kitchens more substantial capital investments have been made. For example, the equipment and renovations in a community center kitchen cost \$40,000. Additional funding for this project came from local foundations that are interested in economic development in the region. But even this cost is a fraction of the investments made in other food processing incubators around the country.

None of the Mountain Kitchens is self-sufficient, but they are all economically feasible because the kitchens mainly serve some other public or private purpose. For the resort or the restaurant, having a Mountain Kitchen client rent the kitchen during its off hours means extra income for the business. For the firehouse or community center there is a public benefit in making maximum use of the facilities.

Mountain Kitchen facilities tend to be spartan. They generally include a basic kitchen, cold storage, prep tables, but no packing or assembling areas; a couple have shipping and receiving areas; only one kitchen has dry storage, and a commercial-scale dishwashing machine (most have 3-bay sinks). There are no offices, but a few have meeting areas. Mountain Kitchen clients have access to the

West Virginia Department of Agriculture's Rural Rehabilitation Loan Fund, a microenterprise loan program for promising businesses that have a large product order, but not enough working capital to fill it. This loan program has very few hoops that must be jumped through.

Regarding volume and services provided, program coordinator Cindy Martel says, "I've got between 45 and 50 specialty food people that I deal with on a regular basis through technical assistance, production assistance, loans, and contacts. 'Where do I go for a business plan?' That kind of information." Of that total, there are currently 27 businesses using the Mountain Kitchen facilities, producing over 100 different specialty foods. Half are farmers, or people with large gardens. About 16 have graduated from these facilities and established themselves elsewhere in the region. To help with the load, Cindy has a counterpart who has technical processing background. She also works closely with the West Virginia Public Health Department sanitarian.

16 businesses have been incubated since Mountain Kitchens began in 1993.

According to Cindy, "Clients use the facilities 3 to 4 times per month on the average. And of that they're putting in 7 to 8 hour days. They definitely plan their usage real well there. And I encourage them to do that. They will pay anywhere between \$5 to \$15 per hour." Some interesting local products include green pepper jelly; chow chow (a relish made from several different vegetables); and wine, jelly, and various seasonings made from "ramps," which are in the onion family.



One Mountain Kitchen location: Salsa manufacturer Blue Smoke, Inc. of Chimney Corner, WV, rents its facility to other small-scale processors.

Perhaps reflecting the stoic and independent tradition of the state's mainly rural population, a number of clients question having to use Mountain Kitchens. They would like to continue doing their processing at home. "Their attitude is that they can do twice as much in their own home. The food safety aspects of this program are not quite clear to them, so we have some work to do on this issue."

**Example of a
classic start-up**

Despite the challenges, Cindy is thinking about expanding the program. "Initially I thought one or two kitchens covering the 12 counties was going to do it," she says. "And what I'm realizing is that one per county isn't nearly enough." In all likelihood, Cindy will be quite busy establishing more local Mountain Kitchens over the next couple of years.

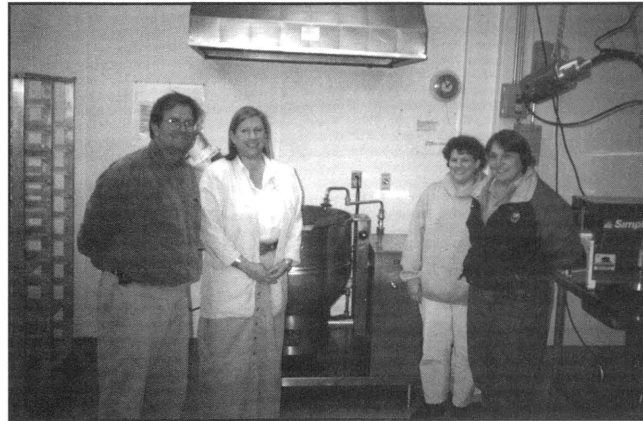
Mixed Company: One Processor's Experience in an Incubator

Pat Kelly is a typical food processing incubator client, using the "NH Cooks" kitchen incubator in Epping, NH, which opened in 1997. Pat makes jarred chili and Bloody Mary mixes. "My chili mix came from a chili I made. Everybody asked me to bring my chili to the party. I always made Bloody Mary's for people. I also make homemade sausage. But I didn't want to get into meat once I started reading about all the regulations. So, I said 'Canned chili is fine, but let me see if I can't do something different.' So I started playing with my spices and then I decided to do the same thing with Bloody Mary's." Pat learned about NH Cooks Kitchen from a newspaper ad. "I was sitting in an attorney's office and reading the *New Hampshire Business Journal*. There was a big ad. I was trying to figure where I was going to cook. I can't cook out of my house, I have two cats and two dogs and there's no way I can keep them out of the kitchen."

Her main source of income (and working capital for the new food processing business) comes from the ownership of a construction company, but her foray into food processing stems from a longing for something more fulfilling. "I'm tired of working with unions, tired of fighting with guys who don't think; tired of fixing machines that they break because they forgot there was a curb there. . . hitting cars and that kind of stuff!" She works 65 hours per week, with roughly half of that time on the new food processing business. Pat's business, called Mixed Company, is a sole proprietorship. She has a friend who helps with the business. Her friend is concerned about liability, so Pat is consulting an attorney about forming a limited-liability corporation or partnership.

Pat has a home office, and does her labeling there. All other functions are performed at the NH Cooks Kitchen. Her processing involves a classic three-step process: mixing, cooking and jarring. Cooking is done with a large steam kettle. To use the facility Pat had to take a health and food safety class. She also took a class on HACCP. Betty Gaudet, the kitchen manager, assists Pat with general production issues, but Pat is mostly on her own in terms of technical product development. How to label the product and get

UPC labels came from a handbook provided by NH Cooks. NH Cooks also assisted Pat in getting her process review (recipe approval) through the University of Maine (a state requirement); several New England states cooperate with the U. of Maine because it



Pat Kelly (far right) with NH Cooks staff: from the left Rick DeMark, Nancy DuBosque, Betty Gaudet (kitchen manager).

has the facilities and technical expertise. Pat is getting help on her business plan from the Small Business Development Center. A NH Cooks client must at least be in the process of writing a business plan to use the kitchen, or have a market already in place.

Pat's trade area is local, but samples have gone to the Midwest, South and West Coast. She has used friends and family members to help make contacts. She is currently looking for a co-packer. "But what does it say about my product when the label says 'packed for Mixed Company?' On the other hand starting my own kitchen was not really in my plan. I'm not sure I want to do everything by myself. The cooking, the marketing, the business end of it, and then the research and development is taking an awful lot of my time." Given her ambivalence about co-packing, Pat is pricing her own kitchen as well.

Thus far, Pat has used the kitchen four times. She processes on the weekends, and will work nights if the business starts to take off. She uses the production and canning room for \$26 per hour. NH Cooks uses an honor system, says Pat: "There's a sign-in sheet. It take us about 20 minutes to unload the van and get everything ready. You start production, stop production and put your times down. You fill out a form as to how you found the kitchen from prior cooks and any problems you might have had."

"It took me a year to get all the designs and everything going on this, but I really don't think I'd be this far along without knowing that I had a facility like this to cook in. And now that my project is in front of me, it absolutely gives you a great feeling." Pat thinks she will probably use the facility for a year to a year and a half.

NH Cooks has nurtured Pat's business on several fronts to help get it moving forward

**One of the only
Cooperative
Extension–
supported
shared-use
kitchen in the
U.S.**

As for the future Pat says “I’d like to see this new business pick up, run and I’d like to sell it and go on the Ladies Professional Golf Association (LPGA) tours.” With any luck, and a lot of hard work, she just might make it.

Extension Office Opens Certified Community Kitchen

Cornell Cooperative Extension of Cayuga County, in the Finger Lakes region of New York, has established a shared-use kitchen at its Extension Association Education Center in Auburn, New York. Called the Cayuga County Certified Community Kitchen, the large kitchen was originally used for home economics demonstrations and related activities. As home economics educational programs changed over the years and evolved into their present day human ecology programs, the kitchen had been primarily utilized as a meeting room. There had even been some thought given to tearing out the large kitchen and converting it into two separate rooms, a kitchenette and a separate conference room.

The idea of the kitchen’s conversion to a shared-use processing facility emerged in response to community requests for such a facility and as Cornell Cooperative Extension explored ways to maximize its

resources and to increase connections between economic development, small business education, and its agricultural foundation and expertise.

The association received a \$2,000 grant from a local Walmart store in the summer of 1997, and renovations and equipment purchases soon followed. The association grappled with liability insurance issues for months. This is finally settled, and the facility is now open for public use. The kitchen will be available for rent by the hour or day. Some storage space is also available. Technical assistance will be offered in areas such a regulatory requirements, recipe development, production, and marketing.



Cornell Cooperative Extension of Cayuga County's shared-use kitchen in Auburn, New York.

Mobile Food Processing Units

The mobile food processing unit is a variation on the FPI concept. Mobile food processing has been a long-standing tradition in Europe. In France, for example, vinegar brewers still travel around from vineyard to vineyard to produce a popular and pungent beverage. Mobile processing provides a way for multiple producers to share expertise and equipment that is otherwise cost-prohibitive.

The Central New York Pasture Poultry Association (PPA) developed a mobile processing unit (MPU) as a means of teaching its members how to efficiently process their poultry. The PPA was established in 1995 with the objective of developing an alternative livestock enterprise with the potential to generate additional farm or homestead income. In just two years membership has increased to over 50 producers in three counties. This is largely due to the support of the South-Central (NY) Resource Conservation and Development (RC&D) program located in Norwich, New York.

While the MPU was initially a demonstration facility, it is turning out to be an important production tool providing start-up pasture poultry operators with critical early cash flow.

The unit was built by RC&D, with funding from Heifer Project International and the USDA–National Resource Conservation “Graze-NY” program. The MPU rests on a 25' mobile home trailer

Pasture Poultry Mobile Processing Unit (MPU)



The Central New York Pasture Poultry Association's Mobile Processing Unit in operation. The man at right is standing between the scalding and plucking tanks, with kill cones behind him.

The MPU's technological simplicity kept its cost down, while insuring long-term functionality.

with a reinforced frame and metal grating floor that can be hosed down for easy cleaning. A half-ton pickup truck tows the unit to individual farms where producers use it to speed processing of their birds. The MPU required 70 hours of donated labor to construct and \$3,000 in materials. It consists of:

- 5 poultry crates for live birds;
- 5 poultry kill cones to ensure proper bleeding;
- A propane-fired scalding tank fashioned from a metal drum capable of handling three or four birds at a time;
- A homemade 3-to-4-bird barrel-type feather plucker;
- A stainless steel processing table;
- Chilling tanks;
- Knives and scales;
- A 20-foot tarp that can be raised to provide shade or protection from the elements; and
- Hook-ups for 110-volt electricity and water.

The RC&D charges the producers a small per-bird fee plus mileage. This compares very favorably to the \$1 to \$1.50 per-bird fee charged at state-licensed processing facilities. Experienced farmers can process 20 birds per hour with the MPU, providing critical savings for start-up pasture poultry operators.

Food Processing Incubator Critical Issues

The future of food processing incubators in the Northeast is uncertain. Assuming a market radius of approximately 40 to 75 miles, these facilities will provide relatively local services—meaning, of course, that there may be plenty of room for the establishment of other food processing incubators elsewhere in the region. An important caveat, however: Food processing incubators are a relatively new development tool. Some studies have shown that incubators, in general, have mixed results. FPIs have precious little track record to go by, and very little is known about their efficacy.

Money, over-optimism, and politics

Adding to the complexity of the issue are some common stumbling blocks which tend to plague these projects: (1) financial issues (including capital budgeting and generating enough cash flow to support an operating budget); (2) snowballing optimism, which sometimes flies in the face of reliable data which suggests the project could fail or not meet its objectives; and (3) politics (e.g. agency turfism and adequate stakeholder participation). Often these three are interwoven into a complex web that is difficult to untangle. Establishing an FPI is a protracted process. FPIs always take longer to establish than most sponsors expect. There are al-

ways delays in funding, construction, and equipment purchases. A good rule of thumb is to plan on things taking twice as long as they seem to require on paper.

Any community or organization interested in exploring the FPI concept should get a copy of a publication entitled *Establishing a Share-Used Commercial Kitchen*, \$62 (\$58 plus \$4 shipping), published by the Western Entrepreneurial Network. To order, contact Bob Horn at the University of Colorado at Denver, Campus Box 128, P.O. Box 173364, Denver, CO 80217-3364; (800) 873-9378. This is the most comprehensive how-to manual on the subject and is well worth the cost.

STRATEGY #5

Consider New Generation Cooperatives

Numbering over 100 today, New Generation Cooperatives are popping up in the Northern Plains states including the Dakotas, as well as Minnesota and Wisconsin. New Generation Cooperatives focus primarily on raising farmer-member incomes through value-added processing of raw, undifferentiated commodities that are common in the Northern Plains, such as wheat, corn and milk, into high-value products such as specialty pasta and cheeses.

The history of the advent of the New Generation Cooperatives, so the legend goes, is that South Dakota hired high-paid consultants to tell the state how to deal with its declining population and economy. After reviewing the dire circumstances, the consultants recommended that the state "help the remaining people of South Dakota pack their bags." Ignoring the recommendation, the state of South Dakota did just the opposite, by investing in funds to promote rural development. A cooperative specialist was hired, and thus began one of the most successful rural development projects in recent years.

The New Generation Cooperative is different from ordinary producer or marketing cooperatives in several ways: First, farmers own the cooperative, and decision-making is democratic. Second, since the farmer-members each raise capital to invest in it, they tend to be very loyal to the co-op, eliminating what for ordinary co-ops is a serious problem. Finally, New Generation Co-ops transform ordinary commodities into high-value products which have strong demand.

New Generation Co-ops Start in Small Rural Communities

Dakota Dairy Specialties Co-op

- Town of Hebron, ND (pop. 888)
- 45 members
- 8–16 jobs to be created
- \$1.5 million specialty cheese plant

North American Bison Co-op

- Town of New Rockford, ND (pop. 1,604)
- 180 members
- Created 10 jobs
- \$1.6 million bison processing facility

New Generation Co-op Keys to Success

- Defining a common need or opportunity
- Conducting a feasibility study
- Developing a business plan
- Holding an equity drive
- Launching the business

Linking Farmers and New York City Consumers Through a New Generation Cooperative

If South Dakota grain farmers can do it successfully with pasta, imagine what farmers on the urban fringe in the Northeast could do. For example, establishing a New Generation Dairy Cooperative that processes and distributes its own high quality “Watershed” milk to New York City consumers? New York City is spending \$36 million to clean up its watershed. A major part of the plan is to encourage farmers to participate in a whole-farm planning process. To assure New York City consumers that their purchase of watershed milk is helping to clean their water supply, a farmer’s membership in the co-op could be contingent upon his or her completion of a whole-farm plan. Having such a requirement gives the co-op’s products a marketing hook with these consumers. New York City consumers, then, get the opportunity to economically reinforce the whole-farm planning process beyond the \$36 million the city has already committed. A watershed dairy initiative might start out with fluid milk, but could process cheeses, ice cream, and other dairy products in the future.

Naturally, a project like this would be very challenging. Cooperatives can be fragile organizations. The advent of a development

effort like this will ultimately come down to how farmers view the status quo. Funding to help establish a New Generation Cooperative like this might come from the state as well as the USDA. The USDA's Fund for Rural America, for example, could provide resources to conduct some applied research and Extension work related to the project.

Whatever projects might evolve, the most successful ones will likely take advantage of the environmental links between farmers in the watershed and New York City consumers, and create new economic links that reinforce the relationships. Linking water quality to community agriculture development and farm profitability seems like a common-sense approach that might yield many benefits for the region now and in the years to come.

A Final Word of Caution

While New Generation Co-ops have enjoyed publicity over the last 10 years, little economic impact analysis has been conducted on them, and the jury is still out on how sustainable this strategy is. Few, if any, New Generation Co-ops are known to exist in the Northeast U.S. It is possible that despite what could be enormous potential, the tradition of rugged individualism may undermine any efforts to get New Generation Cooperatives established in this region.

Resources on Cooperatives

- Henahan, B., et al. 1997. *Cooperating for Sustainability: A Guidebook for Educators, Advisors, Consultants, and Rural Economic Developers*. Cornell Cooperative Enterprise Program, Cornell University, Ithaca, NY. Available through Cornell Media Services: (607)255-2080.
- Anderson, B. et al. 1995, *Putting Cooperations To Work; A Handbook for Rural Businesses, Economic Development Groups and Planning Agencies*. Cornell Cooperative Enterprise Program, Cornell University, Ithaca, NY. Available through Cornell Media Services: (607)255-2080.
- The **Cooperative Services** branch of Rural Business-Cooperative Service (USDA) is expanding their technical assistance role to bring the service closer to the users and to make technical assistance available to all types of rural cooperatives. More information about cooperative development assistance can be obtained by contacting Lowell Gibson (315) 477-6425, or Kathy Klossner (607) 272-3023.



Educational programming should also be community building.

There are several types of educational programs which can be effective in working with food-processing entrepreneurs. Here are some general guidelines for developing educational programs:

1. Put a working group together. Include existing and would-be processors, as well as management professionals, such as accountants, attorneys, and food-safety inspectors.
2. Identify the core issues (e.g., marketing, food-safety regulations, business management).
3. Identify the target audience and stakeholders (e.g., farm-based value-adders, non-farmers, start-up businesses, existing businesses, food safety inspectors, etc.).
4. Design educational program(s) to address the core issues. Workshops and tours of processing operations seem to work well for this audience. Here are some tips on doing workshops and tours:

Workshops

There are many ways to conduct this workshop. The following is one possible outline:

a. Introduction

After welcoming everyone and briefly outlining the objectives of the workshop, have participants quickly introduce themselves and mention one opportunity or challenge they are presently dealing with. Keep this short and to the point, and use a flipchart or chalkboard to jot these issues down for later reference.

b. Panel of presenters

Depending on the objectives of the workshop, use two or three processors (e.g., dairy, fruit, vegetable, and meat—have each of them deal with different issues and food safety concerns). Panelists talk for 10 to 15 minutes each, not including question and answer time. The objective here is *not* to address every possible issue, but simply to further immerse the participants in the key issues. The next part of the workshop will allow participants to get very specific, detailed answers to their questions.

c. *Small Group Discussion*

Have the participants break up into small groups (segregating into commodity groups seems to work best). By now, everyone should be generally familiar with the issues and anxious to delve deeper into them. The format here is to have an in-depth question and answer session. Each group should be facilitated and resource people with specific technical expertise should be available to address complex issues. Reintroduce any relevant issues raised at the beginning of the program. In addition, facilitators might introduce the concepts of regional product identity, flexible networks, incubators, cooperative purchasing, and marketing. Any other opportunities for working together should be discussed. Key ideas and issues should again be jotted down on a flipchart for later reporting.

d. *Small Group Reporting to Large Group*

Volunteers report salient issues to the whole group. Commonalities as well as gaps in information are noted and discussed. Explore the interest or need for further programming in value-adding. Is the group interested in tours, would they like to form a working group which could explore other possibilities, such as incubators, networks and coops? What about an association? (Beware—this question may be premature.)

e. *Summary*

The workshop leader summarizes the concerns, issues, and opportunities, and puts forth an outline of the next steps. The participants make final comments and the meeting adjourns.

Materials

Copies of this publication, or photocopies of certain sections (e.g., management concerns, or community support strategies), and a flipchart and/or overhead projector.

Tours

- a. Decide whether you are going for *depth* (in one type of operation or food product) or *breadth* (covering a number of different operations or products), or both.
- b. Conduct no more than 3 tours per day.
- c. Use buses or vans since too many cars waste resources and can be overwhelming to a processor.

-
- d. During travel time have someone lead a discussion on the key issues of small-scale food processors (see appendix for results of the New York Small-Scale Food Processing Survey).
 - e. Provide for visitors' comfort (restroom breaks, meals or snacks, beverages, etc.)
 - f. Ask the host processor to give a 5-to-10-minute talk about his or her business and industry. Prepare the speaker by asking him or her to discuss facilities, markets, history, challenges and opportunities. Recognize he or she may have proprietary information he or she cannot share.
 - g. Have a food-safety inspector attend, and talk briefly about HACCP.
 - h. Wrap up before leaving by asking the group about what they have learned, and what more they would like to know.

CONCLUSION

This guidebook has offered insight and referrals to additional resources on small-scale processing enterprise development. The information presented, although extensive, could not contain every detail of the issue. It is hoped that the guidebook will provide a foundation for the reader to build upon by working with interested processors and community groups. Whether it is on-farm processing or food processing incubators, there are numerous avenues that Cooperative Extension agents and other agricultural professionals can explore with processors and community groups. Each situation is unique and the different avenues presented in this guidebook can be researched and modified to meet the needs of a particular processor or community.

A good place to begin your further research is with the publications listed in the bibliography that follows.

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APPENDIX

Small-Scale Food Processing Enterprise Survey Results

SURVEY RESULTS

1996 Small-Scale Food Processing Survey

Gilbert W. Gillespie, Jr.
Duncan Hilchey
NYSAWG

Cornell Cooperative Extension
Food Venture Center
NYS Dept. of Agr. & Mkts

Funded By
NE SARE

SURVEY OBJECTIVES

- ▶ General characteristics
- ▶ Strengths
- ▶ Limitations/barriers
- ▶ Opportunities
- ▶ Potential collaborations
- ▶ Public policy
recommendations

Farming Alternatives Program
Cornell University

Small-Scale Food Processing Enterprise Survey Results

•SURVEY METHODS

- ▶ < 20 employees
- ▶ Sample of 600
- ▶ Mail questionnaire
- ▶ 30% Response rate

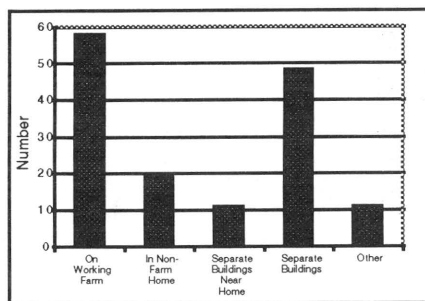
•Respondents

- ▶ 46% farmers
- ▶ 50% process fruits/veggies
- ▶
- ▶ 37% < \$25,000 (TBS)
- ▶ 47% > \$100,000 (TBS)
- ▶
- ▶ 33% county sales
- ▶ 33% multi-county/NY State
- ▶ 33% multi-state
- ▶
- ▶ 29% "breaking even"
- ▶ 53% "modest" profit
- ▶ 5% "significant" profit

Small-Scale Food Processing Enterprise Survey Results

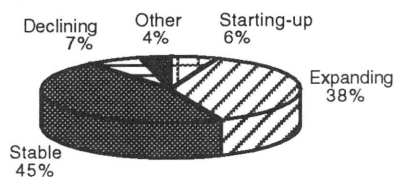
CHARACTERISTICS

Setting/Location



CHARACTERISTICS

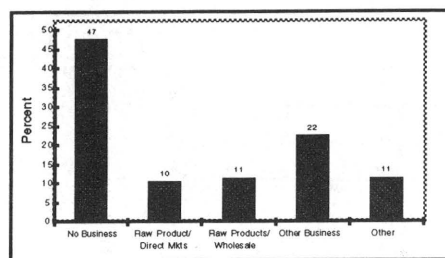
Current State of Business (Sales)



Small-Scale Food Processing Enterprise Survey Results

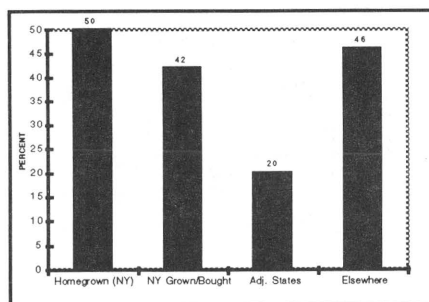
CHARACTERISTICS

Main Business Before Food Processing



CHARACTERISTICS

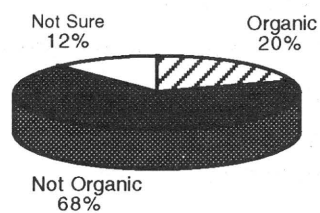
Where Ingredients Come From



Small-Scale Food Processing Enterprise Survey Results

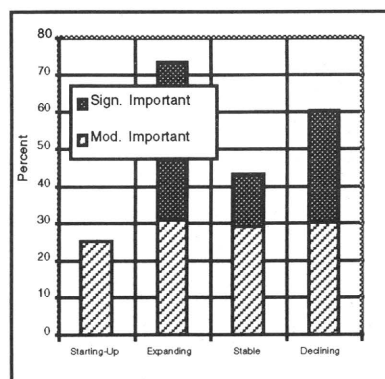
CHARACTERISTICS

Organic Products?



IMPORTANCE

Income



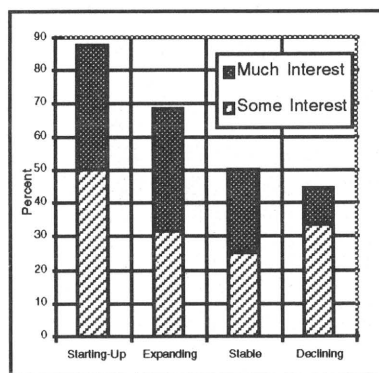
Small-Scale Food Processing Enterprise Survey Results

•NEW OPPORTUNITIES

- ◆ #1 Specialty food directory
- ◆ #2 Trade shows
- ◆ #3 Joint market development
- ◆ #4 Joint purchasing
- ◆ #5 Access to food technology services

OPPORTUNITY:

Joint Market Development



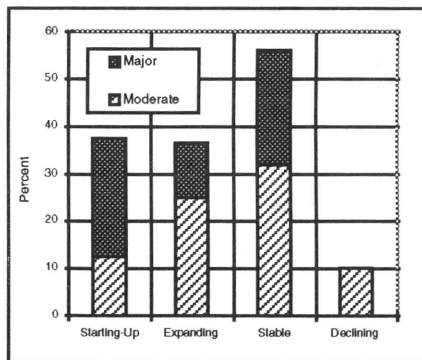
Small-Scale Food Processing Enterprise Survey Results

•LIMITATIONS

- Cost of advertising
- Cost of liability insurance
- Affording needed employees
- Taxes
- Workers' compensation
- Unemployment tax
- Cost of complying w/ Regs
- Start-up/Expansion financing

LIMITATION:

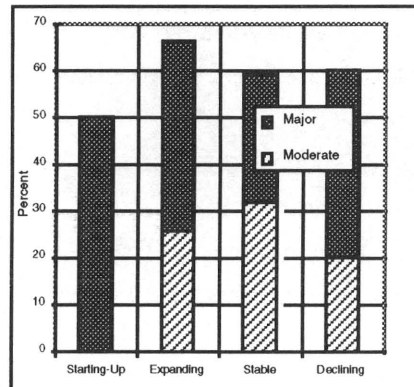
NYS Food Safety Regs



Small-Scale Food Processing Enterprise Survey Results

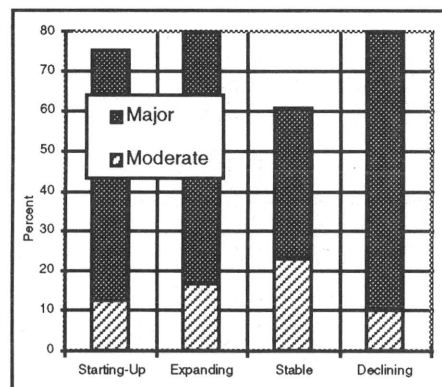
LIMITATION:

Financing For Expansion



LIMITATION:

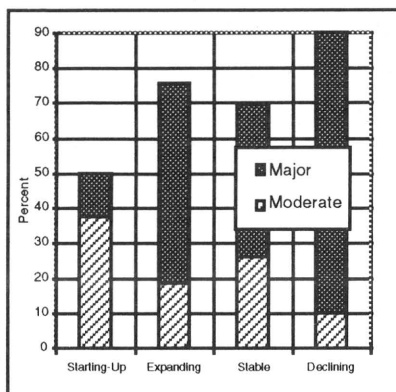
Cost of Advertising



Small-Scale Food Processing Enterprise Survey Results

LIMITATION:

Cost of Liability Insurance



•KEYS TO SUCCESS

- ◆ Quality products
- ◆ Good marketing
- ◆ Enough capital

Small-Scale Food Processing Enterprise Survey Results

•STRENGTHS

- ◆ #1 Quality Advantage
- ◆ #2 Unique Product
- ◆ #3 Market Niche
- ◆ #4 Increases net profit

•BUSINESS MANAGEMENT

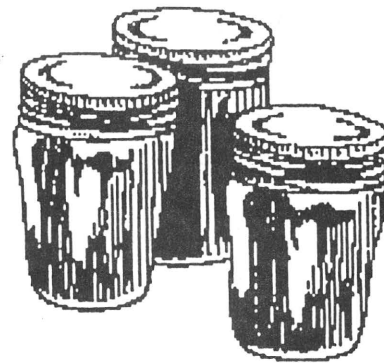
- ◆ Business plan
- ◆ Insurance
- ◆ Capital
- ◆ Legal structure
- ◆ Labor Issues
- ◆ Resources

Politics of Food Program, Inc.
NY Sustainable Agriculture Working Group
121 N. Fitzhugh St.
Rochester, NY 14614

This is an extra copy for
you to give to a friend.

Making It in the Northeast:

Small-Scale Food Processing on the Rise



Tuesday, January 21, 1997

8:30 AM to 5:00 PM

**Four Points Sheraton
Syracuse**

7 North Street, Electronic Parkway
Exit 37 off the NYS Thruway
(315) 457-1122

Small Scale Food Processing on the Rise Agenda

- 8:30 Registration; Food Displays;
Breakfast Snacks
- 9:00 Concerns and Issues Bringing Us
Together
Results of the Small Scale Processing
Survey
A Processor's Journey
Small Scale Support:
NYS Ag and Markets
Food Venture Center
- 9:45 Concurrent Workshops I
A. Business Management Issues
(law, finance, labor, etc.)
B. Technical Questions & Answers
(licensing, regulations, etc.)
C. Creative Marketing Strategies
- 11:00 Concurrent Workshops II
A., B. or C. as above
- 12:30 Local Foods Lunch
- 1:30 Concurrent Workshops III
A., B. or C. as above or
D. Exploring Collaborations for
Small Scale Processors
- 2:45 Break
- 3:00 Highlights from Workshops and
Policy Recommendations
Next Steps for Collaboration
- 4:00 Public Reception & Food Show

On Farm Dairies This small scale food processors conference caps a year-long study of small-scale food processors that focused on your needs, interests and concerns. Participants will be rolling up their sleeves and discussing a wide range of issues, from regulatory concerns to developing ways to work together to improve marketing opportunities.

Jams and Jellies

Maple Products

Bakeries

Cut Vegetables

Juices & Wine

Fish Products

Meat Products



Yogurts

Confections

Condiments

Herbal Products

Vinegars

Pickles

Processor Displays

- ☞ see product samples from your peers
- ☞ sign up to show your own products
- ☞ meet the regulators one-on-one

Lunch Featuring Local Foods

Sit at the table marked with your product to talk with like producers.

Workshops

Beginning with a brief story by two processors of their problems and successes, workshops will be flexible to the needs of entry level or more knowledgeable processors. An open session of questions and comments will follow. Each group will include several resource experts.

To reserve display space or have your product in the lunch, call Alison Clarke, NYSAWG, (716) 232-1463 or FAX (716) 232-1465.

Conference Sponsored By:

Farming Alternatives Program at Cornell University

New York Sustainable Agriculture Working Group

New York State Department of Agriculture and Markets

Food Venture Center at Geneva

Funded by Northeast Regional Sustainable Agriculture Research & Education (NE SARE)

Registration is limited. Complete the form below and mail by December 20, 1996.

Cost: \$15.00 each includes lunch
Make checks payable to NYSAWG
121 Fitzhugh Street
Rochester, NY 14614

Name(s): _____

Address: _____

Phone: _____

For overnight accommodation call
Four Points Sheraton (315) 457-1122
or for Bed & Breakfast listing check
here: _____

Affiliation (check one or more):

- ☐ Potential Processor
- ☐ Beginning processor
- ☐ Established Processor
- ☐ Farmer
- ☐ Educator
- ☐ Extension Representative
- ☐ Consumer advocate
- ☐ Legislative representative
- ☐ Government Agency employee
- ☐ Other _____

Workshop preferences (choose three): A_ B_ C_ D_

(Please print)

Name _____

Organization/Farm _____

Address _____

Phone _____

Fax _____

E-Mail _____

1998 Founding Membership fee \$15. Make check payable to: Cornell Cooperative Extension

Send to:

Small Scale Food Processors Assn.

Cornell Cooperative Extension - Oneida County

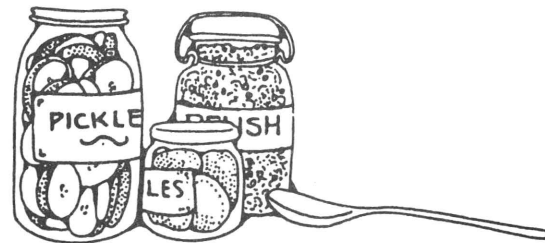
Attn: Amanda Hewitt

121 Second Street, Oriskany NY 13424

Ph: (315) 736-3394 Fax: (315) 736-2580

Are you interested in taking a leadership role? ☐ yes ☐ no

Which Region is most convenient for you? _____



VISION

We envision small scale food processors flourishing across New York State, supporting local communities and promoting the use of New York State products.

MISSION

We support small-scale food processors through a statewide network of regionally based chapters.

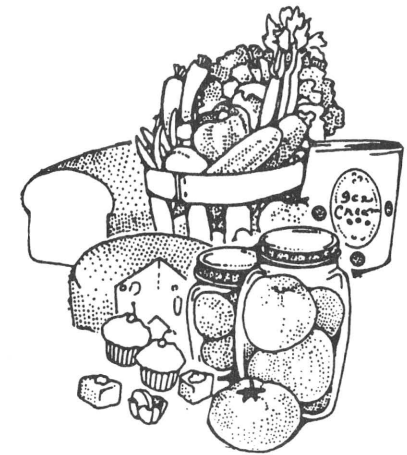
OUR ROOTS

The Small Scale Food Processors Association grew out of a project to address concerns of our small-scale food processors in New York State. That successful effort led to the formulation of a working group of processors, and other interested individuals and organizations such as the Worker Ownership Resource Center, Cornell Cooperative Extension, the Farming Alternatives Program of Cornell University, the NYS Sustainable Agriculture Working Group, and the NYS Food Venture Center.

We invite you to join us.

Are you currently doing, or thinking of doing FOOD PROCESSING?

Small Scale Food Processors Association



ARE YOU

- . Now in or considering a specialty, gourmet, or ethnic foods business?
 - . Thinking about expanding your processed foods market?
 - . A farmer who adds value to your agricultural products?
- Become a founding member of our NYS Small-Scale Food Processing Association. Join others, making unique value-added products such as:

Bakery Products	Maple Products	Confections
Dairy Products	Beverages	Pickles and Condiments
Ethnic Foods	Cut Vegetables	Herbal Products
Jams and Jellies	Fish or Meat Products	

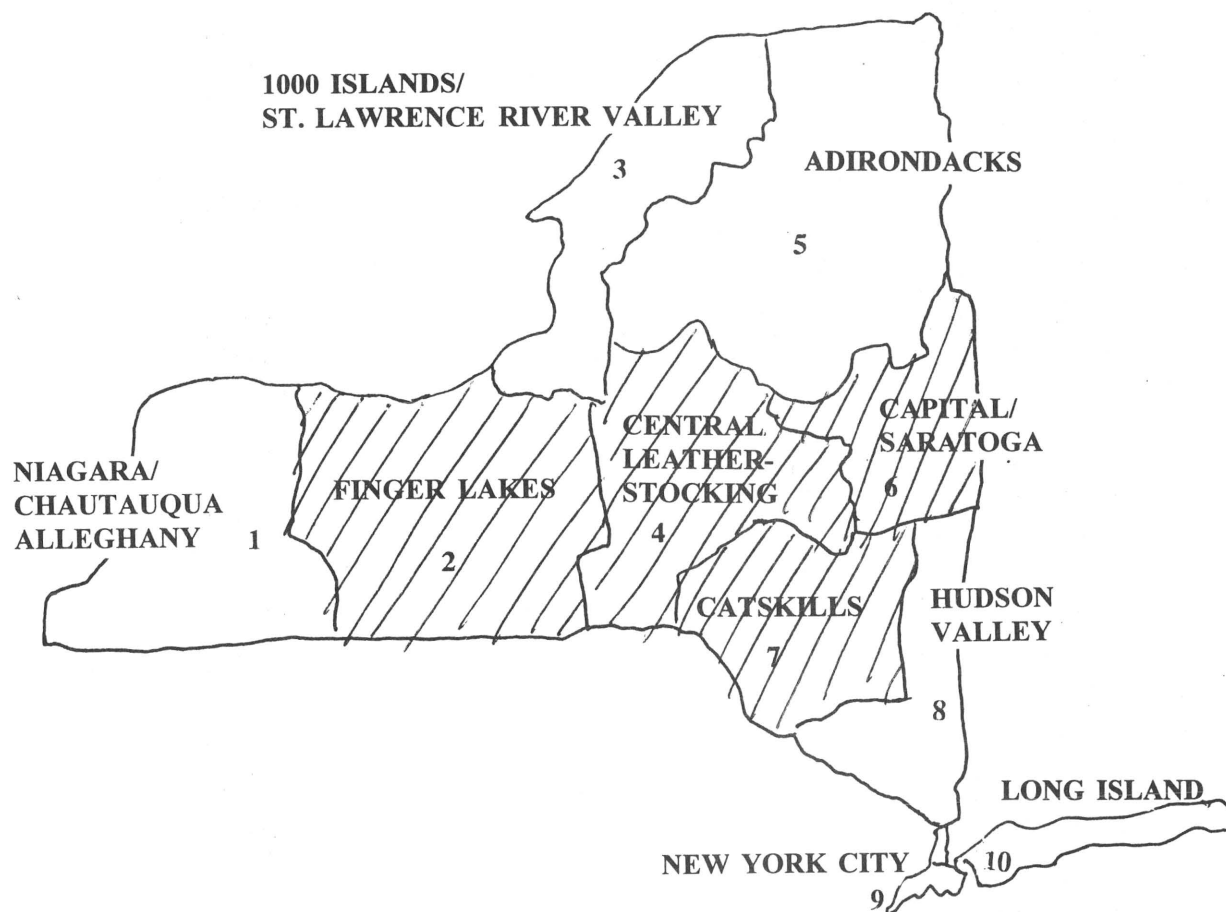
Members Working Together Can:

- ◆ Gain access to specialty food trade shows
- ◆ Conduct joint marketing
- ◆ Access regulatory information and participate in decisions about regulations
- ◆ Negotiate group rate product liability insurance
- ◆ Purchase cooperatively
- ◆ Advertise together and assemble directory information
- ◆ Access food processing and small business technical assistance
- ◆ Initiate a micro loan program

REGIONAL CONTACT NAMES

- | | |
|---------------------|---------------|
| 1. Carol Murphy | (716)778-7926 |
| Eric Randall | (716)547-3596 |
| 2. Brud Holland | (607)535-6900 |
| Cheryl Leach | (315)789-0339 |
| Ellen Knapp | (607)733-5269 |
| 3. Seedcorn | (315)265-4619 |
| Earl & Karen Penney | (315)298-4371 |
| 4. Amanda Hewitt | (315)736-3394 |
| Hal Carius | (607)293-8891 |
| 5. Don Papson | (518)293-7119 |
| Jane Desotelli | (518)425-3306 |
| 6. Rachel Schneider | (518)672-4465 |
| Peter TenEyck | (518)765-2956 |
| 7. Dan Flaherty | (914)292-6180 |
| 8. Judy Schneyer | (914)677-8223 |
| Bob Weybright | (914)471-9478 |
| 9. Ellyn Rosenthal | (718)839-1100 |
| Richard Zablocki | (718)782-0582 |
| 10. Roger Tollefsen | (516)728-3474 |

SMALL-SCALE PROCESSING REGIONS



FOOD PROCESSING

A GUIDE TO CREATING A NEW BUSINESS

Contributors:

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New York State Agricultural Experiment Station,
Cornell University, Geneva, New York.

Donna Dahringer and Joe Corby,
New York State Department of Agriculture and Markets
Albany, New York.

Support for the first printing was provided by the
New York State Department of Agriculture and Markets and
the Agricultural Research and Development Grant, Contract #422.

September	1990	
November	1992	2nd Edition
January	1997	3rd Edition

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<i>Creating A Business Plan</i>	1-20
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SUPPLEMENT NO. 2 A

<i>A Food Labeling Guide</i>	1-61
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For more information contact:

*Cornell Cooperative Extension
Cayuga County*

Phone: 315-255-1183

Fax: 315-255-1187

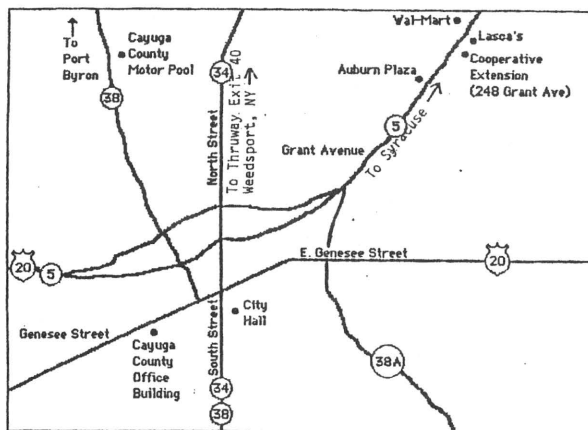
e-mail: cayuga@cce.cornell.edu

Business Hours

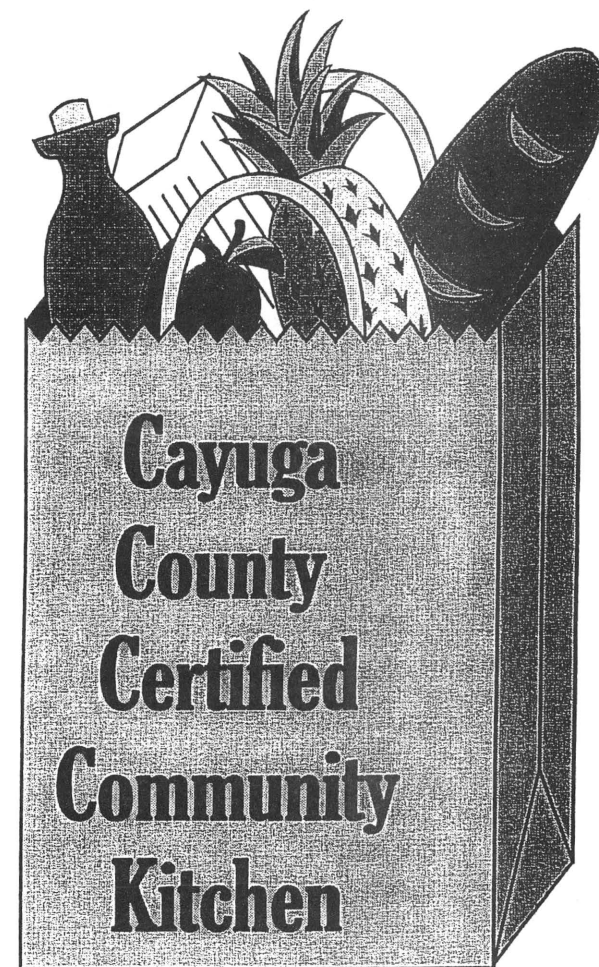
Monday thru Friday

7:30 a.m. – 4:30 p.m.

Map to the Education Center



The mission of Cornell Cooperative Extension is to empower people to improve their lives and communities through learning partnerships that put research and experiential knowledge to work.



Sponsored by:

Cornell Cooperative Extension of Cayuga County

Education Center

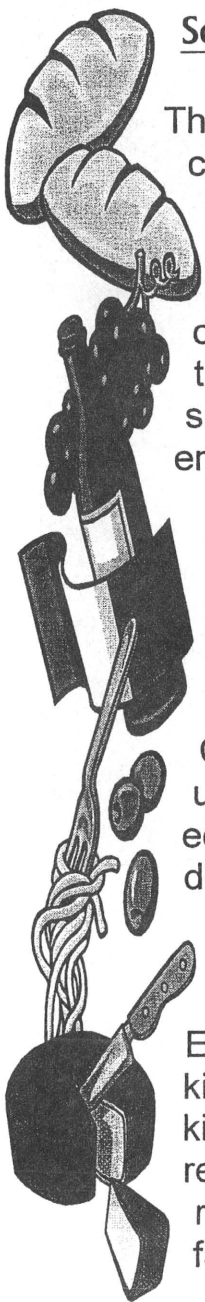
248 Grant Avenue

Auburn, NY 13021

Phone: 315-255-1183

Fax: 315-255-1187

e-mail: cayuga@cce.cornell.edu



Some History

The purpose of the certified community kitchen is to provide micro-enterprise food businesses the opportunity to scale-up their enterprise in a supportive incubation environment.

Cornell Cooperative Extension of Cayuga County has a commercial style kitchen at its Education Center. Originally, it was used for home economics demonstrations and related activities.

Converting the Education Center's kitchen into a community kitchen emerged in response to community requests for such a facility.

The Cayuga County Certified Community Kitchen is for you if:

- you are thinking about a specialty, gourmet or ethnic food item you'd like to produce and market?
- you have outgrown your kitchen?
- your farm operation is looking to supplement your income with value added products?

Our Kitchen:

- is easily accessible
- is available for rent by the hour or the day
- is available on a first-come first served basis

Our Education Center:

- has connections with Cornell University resources, Geneva Food Venture Center and to NYS Dept. of Ag & Markets
- can provide education and training session on food handling, food preparation and food safety

Our Vision Is To:

- encourage and strengthen small business development
- provide food processing opportunities
- support local agriculture
- link urban and rural needs
- create employment opportunities

Make Unique Value Added Products*:

- Bakery Products
- Dairy Products
- Ethnic Foods
- Jams and Jellies
- Maple Products
- Beverages
- Cut Veggies
- Confections
- Pickles and Condiments
- Herbal Products

* Contact NYS Ag & Markets (315-487-0852) to determine if a 20-C license is required.

Farming Alternatives' Publications

Cultivating Farm, Neighbor and Community Relations. This bulletin describes the kinds of farm-related land-use conflicts which may be found in rural New York, the Northeast and other urbanizing areas. It suggests ways of maintaining good relations and outlines alternative approaches for dealing with conflict.

Farmers' Markets and Rural Economic Development: Entrepreneurship, Small Business Incubation and Job Creation in the Rural Northeast. A must for farmers' markets sponsors, extension staff and economic development officials, this bulletin reports on a study of how farmers' markets contribute to local economic development.

Community Agriculture Development: Profiles of 32 Initiatives in New York State. Thirty-two profiles call attention to the nature and range of organizations involved in community agriculture development in New York

Practical, Profitable and Sustainable: Innovative Management Strategies on Four NYS Dairy Farms. In-depth case studies discuss the changes 4 dairy farmers made to make their farms more sustainable using IPM, rotational grazing, manure storage and diversification.

Agritourism in New York: Opportunities and Challenges in Farm-Based Recreation and Hospitality. Four in-depth case studies with discussion of management concerns and NY tourism trends. Includes economic analysis.

PLEASE ORDER ABOVE PUBLICATIONS
DIRECTLY FROM

Instructional Materials Service (607) 255-9252 or
Cornell Media Services (607) 255-2080

Farming Alternatives: A Guide to Evaluating the Feasibility of New Farm-Based Enterprises. Our award-winning step-by-step workbook to help plan and evaluate a new enterprise. Includes chapters on setting goals, assessing markets, production feasibility and financial feasibility.

Order from Northeast Regional Agricultural
Engineering Service (607) 255-7654

Student Project Series

Ithaca Farmers' Market: A Case Study in Small Business Incubation

**Two Small Mills in New York State:
Contributions to Sustainable Agriculture**

New Agriculture Series

Horticultural Innovators: Case Studies of Seven Entrepreneurial Growers in New York State

Resource Packets

Adding Value with small-scale food processing and specialty dairy products

Agricultural Economic Development

Agritourism

Developing New Markets to Support Local Agriculture

Engaging the Public in Local Agricultural Issues

Urban Connections and Community Food Security

Who Will Farm? Supporting Farm Families and Farm Workers

Also available.....

Complete Resource Notebook from our 1997 Farming For the Future Conference:

Includes all of the Resource Packet material above and more.

Considerations For Agritourism Development: Focuses on three main components of agritourism development: small businesses, agricultural events, and regional agritourism initiatives.

PLEASE ORDER ABOVE PUBLICATIONS
DIRECTLY FROM

Joan Padula (607) 255-9832;
e-mail jmp 32@cornell.edu