

Value-Added Processing

Resource List

1. Schedule Process

- a. Information about scheduled processes is available from Cornell University. For every product that you will be making that is acidified, a scheduled process will be required. For information and to apply for approval, contact the Department of Food Science and Technology, NYSAES – Cornell University
www.necfe.foodscience.cornell.edu

Dr. Olga Padilla-Zakour 315-787-2259 oipl@cornell.edu
Elizabeth Kneller-Sullivan 315-787-2273 esk15@cornell.edu

- b. Schedule process costs about \$90 for first recipe and about \$45 for additional recipes; takes 6-8 weeks

2. Licensing

- a. Food Processing Establishments are licensed by:
The NYS Department of Ag and Markets
Division of Food Safety and Inspection
10 B Airline Drive
Albany, NY 12235
- b. If you are packaging a food product that you are planning to sell to a store/restaurant, etc. and they plan to sell it to the ultimate consumer you need a 20C.
If you plan on participating in farmer's markets and food markets you need a 20C.
If you are preparing something with meat, you need to find a USDA facility.
If you are a caterer you will need to be licensed by your local health dept.

Before the start of any processing, manufacturing, wholesaling of foods or operation of a retail food store, you are required to contact your regional office for inspection and licensing information. To request information about the 20C license or to locate your regional office by phone call 1-800-554-4501 or go on line: <http://www.agriculture.ny.gov/FS/license/pdfs/FSI-303.PDF>

3. Education and training

- Better Processing Control School is through Cornell with Olga Padilla-Zakour. This class is required to be able to make shelf stable pickles, sauces, acidified food, lacto-fermented shelf stable, and chutneys, etc. They also have an excellent CD concerning how to set up a food processing business.
- Food Handler's Certificate, ServSafe Certificate
Some jurisdictions require a Food Handler's Certificate. Check your local requirements. The Food Handler's Certificate is offered by the NYC Dept of Health. The course work can be done online and when you are ready to take the actual test, you make an appointment with Health Department. The test will be given in one of their facilities in Manhattan. The course fee is \$24.00 and it is good for life.
www.nyc.gov/html/doh/html/hany/hanyfood-online.shtml
- Food Managers Course -Long Island:
Suffolk County Food Managers Course
Calverton Business Incubator - Main Conference Room

4603 Middle Country Road
 Calverton, NY 11933
 Time: 8AM - 5PM (Given each month- contact for dates)

This 1-day course will provide attendees with a better comprehension of Suffolk County Health Code, as well as food and commercial kitchen safety. The certificate earned will reciprocate with the Suffolk County Department of Health Food Managers Certificate. Course Fee: \$150

- You can also take ServSafe which is offered by the NYS restaurant Association at various locations (NYSRA.net) accepted nationwide; cost is about \$200 and must be renewed every 2-3 years.

4. Choosing a Kitchen

- Custom Food Producer and/or Rentable Kitchen Resources:

Long Island Region	North Fork Specialty Kitchen	Jeri Woodhouse	631-734-6100	jeri@atasteofthenorthfork.com www.atasteofthenorthfork.com
	Agricultural Consumer Science Center at Stonybrook University	Monique Gablenz	631-727-4631	moniquebalenz@stonybrook.edu
	Taste of Long Island	Jim and Courtney Thompson		Atasteoflongisland@gmail.com
	The Kitchen Co-Op	Cindy Sierra	631-397-0197	Kitchenforrent213@gmail.com www.culinarykitchens.com
Finger Lakes Region	SUNY Morrisville/Nelson Farms	Dave Evans	315-655-3301	evansdl@morrisville.edu www.nelsonfarms.org
	Martin Bulk Food and Homemade Products	Eli Martin	(607) 243-8197	no email available
	Leaf, Loaf, and Ladle	Debra Richardson	315-725-4186	Drichardson111165@hotmail.com www.leafloafandladle.com
Capital/Saratoga	SUNY Cobleskill Shared Use Community Kitchen		518-255-5425	rogana@cobleskill.edu
	Damin Farm	Barb Damin	518-568-2643	daminfarm@frontier.net
Adirondacks	Battenkill Kitchen	Trish Kozal	518-854-3032	manager@battenkillkitchen.org www.battenkillkitchen.org
NYC	Amy's Cookies			amyscookies@verizon.net
	Bed-Stuy Kitchen		347-889-6081	britt@kurentevents.com
	City Cookhouse		202-246-4686	chefzee@citycookhouse.com
	Commercial Kitchen		212-719-1113 631-561-7074	
	Commercial Kitchen		718-859-2141 718-421-2260	crystalmanor@aol.com
	Hana Kitchens		718-369-7594	info@hanakitchens.com www.hanaenterprises.com
	Hot Bread Kitchen		212-369-3331	incubator@hotbreadkitchen.org www.hotbreadkitchen.org
	Kosher Kitchen		718-296-3905	commercialkitchen@gmail.com
	Kingsborough College Business Incubator	Kate Wayler	718-368-6684	info@kbcc.cuny.edu www.cewd.net/pages/services/incubation

	Kitchen NYC		212 202-0521	kitchennyc@gmail.com www.kitchennyc.blogspot.com
	Mi Kitchen es Su Kitchen	Kathrine Gregory	212-452-1866	mikitchen1866@aol.com www.mikitchenessukitchen.com
	Organic Food Incubator	Mike Swartz	718-391-0009	info@organicfoodincubator.com www.organicfoodincubator.com
	Sweet Deliverance Kitchen		347-415-2994	info@sweetdeliverancenyc.com www.sweetdeliverancenyc.com
	Third Ward Kitchen Incubator			www.3rdward.com
	Urban Horizons Kitchen		718-839-1198 718-498-3472	mgotay@whedco.org www.whedco.org
Hudson Valley	Beth's Farm Kitchen	Beth Linskey Liz Beals	518-799-3414	bfb@bethsfarmkitchen.com www.bethsfarmkitchen.com
	Cook and Bake Center	Janine Goldentaier	914-698-3663 914-844-2218	info@cookandbakecenter.com www.cookandbakecenter.com
	Farm To Table Co-Packers	Jim Hyland	845-383-1761	jim@farm2tablecopackers.com www.farm2tablecopackers.com
	Hometown Foods	Anna Dawson	518-758-7342	annadawson@berk.com www.ourhometownfoods.com
	Micosta	Steve McKay	518-451-0109 cell	micosta@mhicable.com www.micostaenterprises.com
	Black Dirt Gourmet	Cheryl Rogowski	845-258-4574	yesifarm@aol.com www.rogowskifarm.com
	CYRE Inc	Luc Roels	845-254-5884	lucroels@gmail.com
	Nilda's Desserts	Jim Milano	845-454-5876	jimmilano@aol.com www.nildas.com
Niagara	Go Veggies	Genga Pannampalam	(716) 908-2778	goveggies@gmail.com www.goveggies.com

- Website to search out a kitchen for hire:

www.CommercialKitchenForRent.com

Started in 2008, this website is trying to get listings from everyone and anyone who has a kitchen available to share, or running an incubator. Scroll down on the home page and select a state.

www.CulinaryIncubator.com

Started in November 2008, they are getting information on a daily basis. Select a state and then scroll down past the map.

<http://cookforfun.shawguides.com/>

This is a listing of recreational cooking schools.

National Business Incubator Association www.nbia.org

This website has links to member incubators. Select your state and there will be a list of all types of incubators

North East Center for Food Entrepreneurship www.nysaes.cornell.edu/necfe

Scroll down to their Food Entrepreneur Center. Look for their co-packer/incubator listing

c. Other Paths to a Kitchen

- Contact all the business services in your area (SCORE, SBDC, SBA, and the local Chamber of Commerce. Talk to them and find out what is available. They may know of an established business that could use some help paying the rent. Like an established caterer.

- Contact ALL the churches in your area and a bit further out. Ask them if they would be interested in renting out their kitchen WHEN they don't use it. That may be a Tuesday or Thursday night. Offer to run a baking class once a month free of charge (except for raw ingredients) to the children of the parish. If you offer to do something for the church they may be willing to do something for you.
- Contact the Lions, Rotary, VFW and firehouses.

They may have kitchens. Again offer to rent the kitchens when they are not in use. This is probably during the week maybe days, maybe nights. If they have a kitchen with the type of equipment you need. Bring examples of what other kitchen incubators are charging and explain the concept. You will need to indicate that you have insurance and you will indemnify them and their organization.

Offer to hire their porter if it would help you gain approval.

5. Legal

- a. You should always consult an accountant/attorney before making a decision as to your business' legal status and your legal entity.
- b. If you plan to sell this product, you need a tax ID number, also known as an EIN number.
- c. Know how to file for sales tax charged. If you sell wholesale, you don't charge a sales tax since the restaurant/gourmet store is considered a resaler.
- d. If you sell at markets or on line you must charge the appropriate sales tax for the location where you sell. Check with an accountant.

Law for Food
Kenneth@lawforfood.com
 782 Mountain Rd
 Stowe, Vt,
 808.299.7532
www.lawforfood.com

The Food Law Firm
 Jason Foscolo, Esq.
jason@foodlawfirm.com
 631-903-5055
www.foodlawfirm.com

Ronald I. Paltrowitz, Esq.
 Law Offices of Ronald I. Paltrowitz
 1375 Broadway (37th Street), 3rd Floor
 New York, New York 10018
 Telephone: 917.822.2881
 Fax: 646.218.0917
rpal@paltrowitzlaw.com
www.paltrowitzlaw.com
www.wiselegalcounsel.wordpress.com

- e. Your company will be functioning as either a non-corporate entity/DBA (Doing Business As) or some form of a corporate entity. You will need to register the business with the appropriate governmental (federal, state and/or local) agency (ies) for tax and registration reasons.
 - i. Proprietorship with a DBA

In simple terms, sole proprietorship refers to a business that is run by a single person. Being one of the simplest of all business models, it can be set up with little effort. People who are actually sole proprietors may not even be aware of it. For instance, freelancers in a variety of fields, commissioned salespeople who do not earn fixed salaries, independent contractors, and also if anyone provides goods or services for a specified fee, then technically they all are sole proprietors even if they haven't filed their paper so.

ii. Partnership

Partnerships may enjoy special benefits in tax policies. Among developed countries, for example, business partnerships are often favored over corporations in taxation policy, since dividend taxes only occur on profits before they are distributed to the partners. However, depending on the partnership structure and the jurisdiction in which it operates, owners of a partnership may be exposed to greater personal liability than they would as shareholders of a corporation. In such countries, partnerships are often strongly regulated via anti-trust laws, so as to inhibit monopolistic practices and foster free market competition. CORPORATE ENTITIES – responsibility for taxes and liability for actions, damages and debt differ by type of corporation – always consult an accountant or attorney or both before choosing a corporate status.

Corporations are usually designated as an “INC.” (e.g., Cookies by Madge, Inc.).

iii. Limited Liability Corporation (LLC): An LLC, properly structured, combines the best characteristics of non-corporate and corporate entities: management flexibility and a wall between the owner and personal liability for actions, damages and debt. An LLC has less regulatory oversight, less paperwork to produce and more numerous options with regard to ownership (multiple or single; individuals or companies; domestic or foreign; taxes: entity or individual filing).

Nota Bene: any corporation's liability shield may be challenged in Court (known as “piercing the corporate veil”). Therefore, it is important to ensure separation between corporate and individual assets.

A Limited Liability Company (LLC) is a business structure allowed by state statute. LLCs are popular because, similar to a corporation, owners have limited personal liability for the debts and actions of the LLC. Other features of LLCs are more like a partnership, providing management flexibility and the benefit of pass-through taxation. Owners of an LLC are called members. Since most states do not restrict ownership, members may include individuals, corporations, other LLCs and foreign entities. There is no maximum number of members. Most states also permit “single member” LLCs, those having only one owner. The federal government does not recognize an LLC as a classification for federal tax purposes. An LLC business entity must file a corporation, partnership or sole proprietorship tax return.

iv. Corporation

A corporation is a legal entity that is created under the laws of a state designed to establish the entity as a separate legal entity having its own privileges and liabilities distinct from those of its members. There are many different forms of corporations, most of which are used to conduct business. Early corporations were established by charter (i.e. by an *ad hoc* act passed by a parliament or legislature). Most jurisdictions now allow the creation of new corporations through registration.

6. **Insurance**

A must! Call around and get quotes. You should feel comfortable talking with your broker before you do business together. Don't fib or misrepresent info that the broker may need to get you the proper insurance. It will backfire on you in the end.

Limits: Each occurrence - \$1,000,000; Damage to rented premises - \$300,000; Medical Expenses -

\$10,000; Personal and Adv. Injury - \$1,000,000; General Aggregate - \$2,000,000; Products - \$1,000,000
General Liability Insurance

Personal Injury

Products and Completed Operations Insurance

If you have employees other than immediate family, Workers Comp. and Disability insurance are required by law.

Insurance brokers familiar with the Food Industry

*Winnie A. Appah-Somuah, WinnSom Insurance Agency, winnsom@gmail.com – 718 874-9797

*Susan Combs -Combs and Co., Scombs@combsandco.com - 646 736-3737-

*Bob Bleistein -Classic Coverage Insurance, BobB@classiccoverage.com - 631 422 8585, 516-320-8120

*Fran or Denise Frayman -JFA Insurance Sales@JFAinsurance.com - 718 767 4040

*Meghan McGarry - Marshall Sterling, MMcgarry@marshallsterling.com - 800 724 0695 x28
(has a policy for cooking classes)

*Vicki Hennessy - Hicky-Finn&co,inc, vickih@hickey-finn.com. 845-471-6200

*Farmer's Market Federation, www.nyfarmersmarket.com, deggert@nyfarmersmarket.com., 315-637-4690

*Disability: First Rehabilitation Life 1-800-365-4999

7. **Water Testing**

Water Tests for your facility: some counties have it done by the Health Department. Check your local listing for private water testing labs

8. **Equipment:**

• **pH Meter**

All foods that have acid added need to have their pH checked with a meter. The meter can be purchased online very inexpensively (one made by "Checker"). You will have to know how to operate it, maintain it and calibrate it for inspection! Be sure that all of your acidified food records are kept in ink, clean, neat, organized, and legible writing for inspection.

Additional

Weber Scientific – online

Hanna – Rhode Island

Cole Parmer – online (model: Oakton Acorn pH 5)

• **Kitchen**

Pots and spoons Resource: Beranberg's Pots in Syracuse Farmer's Market, 315-382-7752 and www.casa.com for heavy bottom Farberware pots

- If you want to build your own walk-in, you can use: www.storeitcold.com
- Look on-line at Craig's List and E-Bay
- Go to the NYC Restaurant Show
- Check your restaurant your local restaurant resale equipment stores.

9. **Produce**

Resource: Capital City Produce, LLC in Menands Farmer's Market in Capital District 518-365-6361

Resource for cutting and preparing: On Long Island – J. Kings distributors offers “chef cuts” – fresh chopped onions and other vegetables. Check local distributors to see what is available in your area

10. **Packaging** -Any type of packaging that you will need can be found on line.

Some sources to start:

Borax Paper Company	Joe D’Fiore – 718 665-8500 x 261	www.BoraxPaper.com
Hubert		www.hubert.com
JB Prince – 36 East 31 st St., NY	212 683-3553	www.JBPrince.com
Inline Plastics Corp.	800 826-5567	www.inlinePlastics.com
Uline shipping supply specialists	800 958-5463	www.uline.com
CupTainers		www.cuptainers.com/index.cfm
Bake A Box		www.BakeABox.com
Burch Bottle Distributors, Waterford NY		518 273 1845
PaperMart		www.papermart.com
Specialty Bottle		
E-bottle		
Richards Packaging		
Heat seals: GlobalPak		
Ribbon: Midori, May Arts		
Gift Corp of America		
Glashaus.com		info@Weckcanning.com
Andler Bottle Co,	149 Wason Ave, Springfield, MA, 01107,	413-746-8449
Rappaport Bottle Co,	229 North 10 th Street, Brooklyn, New York,	718-387-0190

11. **Labeling**

- Okay, so you've got your product grown and made, now you need to figure out labeling and marketing: Farmer's markets require labels on your product. But most importantly your CUSTOMER wants a label and nutritional information.

It is suggested that you have your label looked at by State of New York Department of Agriculture and Market. FDA food labeling law document:

<http://www.fda.gov/downloads/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodLabelingNutrition/FoodLabelingGuide/UCM265446.pdf>

- CHECK YOUR LABEL very carefully and then send to Erin Sawyer. Before print a label for your product there are certain things that need to be included.
 - Name of Company and physical address
 - Common name of the food product
 - The net weight of the product
 - An allergen disclaimer
 - a listing of all ingredients in order of predominance

Resource:

Erin Sawyer
518-457-5380(phone)

518-485-8986 (fax)

10 B Airline Drive
Albany, NY 12235

www.agmkt.state.ny.us

- The Nutritional analysis is not required by law until you reach \$250,000 in retail sales. But, that said, it is highly recommended to buy the nutritional label; it makes you look like one of the big boys. Members of NY Small Scale Food Processors Association (NYSSFPA) can obtain this

analysis for a reduced fee. Currently it is \$50.00 per label for members and \$80.00 for non-members. It is \$30.00 to join NYSSFPA for one year.

- You can also have nutritional analysis done for \$29 each by Menu Smart www.menushortusa.com , 631-276-6922, ZORA@menushortUSA.com
- Another company is www.recipal.com for \$19 each label or \$50/month unlimited labels.
- As a suggestion do not print up a big run of labels. Frequently you change the recipe or even the name based on consumer feedback. Create something which fits on a generic Avery label (they have so many sizes and shapes), print it once from your printer and go to a copy shop to photocopy the rest. This way, you print what you need and you have not invested money into something you might toss.
- There are many options in labeling, when you are ready for the permanent ones.

Creative Labels of Vermont, CLOV, Jim Pinsonneault 800-639-7092
Grower's Discount Labels Stu McCarty 800-693-1572
Greenbush Tape and Label 518-465-2389
Lightning Label info@lightninglabel.com 888-907-300

- Most stores require a UPC code on your product. They are bought from GS1. www.gs1.org. These codes can be purchased through other sources.

12. Pricing Your Product

- List ingredient cost and packaging cost
- Figure out your wholesale price what you would charge to sell to a store, caterer, and restaurant Usually this figure is 3 times the packaging & ingredient cost .
- Figure out your retail price-what you charge on line or at a farmer's market. This is the price direct to the consumer.
- Industry standard is that the amount the consumer pays is usually twice the whole sale price

13. Distributors and Brokers

- Food Distributors buy your product outright and resell to their existing accounts. Your price to them will be somewhat lower since they have to mark it up when they sell.
- Food Brokers are commissioned salespeople. They get a percentage of the sale price, usually 15%.
 1. They do all the leg work for you – supplying the samples, making the deliveries, collecting the money. They get paid after you have collected.

14. Additional Resources and Trade Associations

Slow Food, USA. www.slowfoodusa.org
NOFA-NY www.nofany.org
New York Small Scale Food Processors Association (NYSSFPA)
Direct Marketing Association
Cooperative Extension

- **Funding Sources**

Each of the following micro loan programs will lend to the budding entrepreneur. Their criteria are different and most require that you have been in business for 6 months.

Microloan Programs

Accion	212 387-0377	www.AccionNewYork.org
Trickle Up	212 255-9980	www.TrickleUp.org
Project Enterprise	212 678-6734	www.ProjectEnterprise.org
Count Me In	212 245-1245	www.CountMeIn.org

Women's Venture Fund 212 563-7229
NYC Business Solutions Queens 718 577-2132
Kickstarter
Slow Money

www.WomensVentureFund.org
www.nyc.gov/nycbusiness
www.kickstarter.com
www.slowmoneynyc.org. Derek Denckla

15. **Additional Training and Workshops**

Beth Linskey, owner, Beth's Farm Kitchen
917-449-5056
Liz Beals 518-799-3414
bfk@bethsfarmkitchen.com

Jeri Woodhouse, owner, North Fork Specialty Kitchen
631-734-6100
info@atasteofthenorthfork.com

Kathrine Gregory, Mi Kitchen es Su Kitchen
212-452-1866,
mikitchen1866@aol.com

16. **Plan Your Business**

- 1) Concept for your business (max 50 words)
- 2) Long term objectives (maximum 1 page)
- 3) Summary of Owners/management team training, experience and skills (max 1 page)
- 4) Number of employees (if any, excluding yourself/partner as owners)
- 5) Product-Describe specific product or services (Max 50 words)
- 6) Brochure/website
- 7) Promotion
 - How will the product/service be promoted? (Max 50 words)
 - What specific promotional tools will be used? (Max 1 page)
- 8) Distribution Methodology- How will product/service be distributed? (Max 1 page)
- 9) Finances - review sources of current funding
 - Create a budget/Profit & Loss statement for the next year

17. **Marketing and Branding**

Now you need to determine your target market and develop a marketing and branding strategy. Capture the uniqueness: location, region, flavor, organic and/or natural, "your story"

a. Sales options: Farmer's Markets, Retail Store, Farm Stand, online, wholesale, Market Maker at:
<http://ny.marketmaker.uiuc.edu/>

b. Branding: What is a brand? How a business tells customers what to expect, means through which a business gets credit for the quality they represent and deliver, a relationship involving experience, trust, and values.

“A brand is a perception or emotion, held by a buyer, describing the experience related to doing business with a company or consuming its products or services. Brand building = relationship building”. It's building a trusting, mutually beneficial relationship with a company, a product or a service.” Quote by David Grusenmeyer