



STARTING A FOOD BUSINESS

FRIENDLY ADVICE FROM YOUR NEIGHBORHOOD FOOD SCIENTIST

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THIS IS JUST ADVICE!!

“TEACH A MAN TO FISH AND YOU FEED HIM FOR A LIFETIME”

- I am not an attorney or accountant and am not providing legal or financial advice
- I am not a representative of any regulatory or government body
- I am not representing the opinions or interests of my current employer, all information I present today is from my own knowledge, experience, and opinion
- I am not getting paid or compensated for my presentation or time during this event



PIECE OF ADVICE #1:

DECIDE IF YOUR BUSINESS IS A
HOBBY OR FOR PROFIT

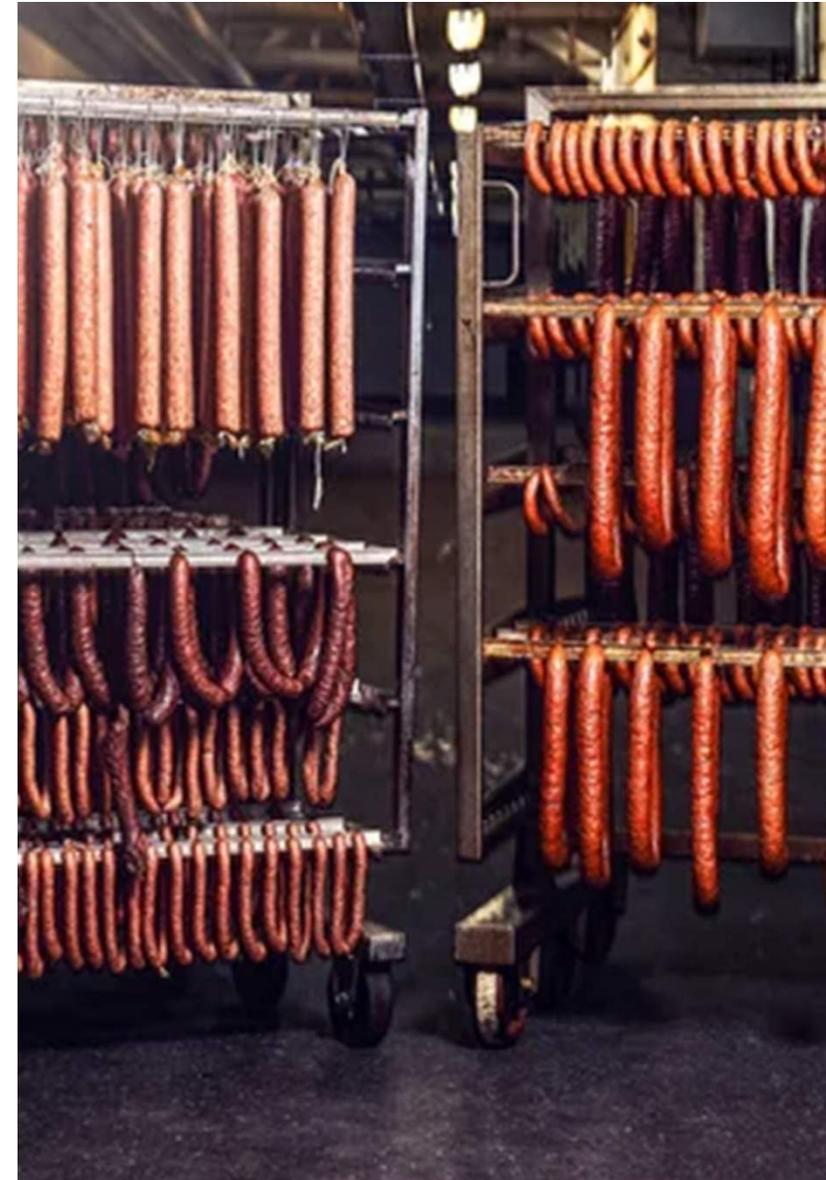
- If you are serious about a for-profit food business, be prepared to invest in...
 - Facilities, equipment, supplies, biosecurity, personnel, accounting, legal, website, training, education...continually!
- If your food business is a hobby, lower your expectations for what will be possible and allowable with your current constraints



PIECE OF ADVICE #2:

LEARN YOUR REGULATIONS FROM
TOP TO BOTTOM (FEDERAL, STATE,
LOCAL)

- All food and animal products are regulated in the U.S., in most states, and at local jurisdictions
 - Don't forget county and township level ordinances, codes, and rules
- Before you invest \$1 into your business, do your homework and learn what regulations you must follow and how





U.S. Food Regulatory Structure Basics

- USDA – regulates meat, poultry and egg products (not shelled eggs)
- FDA – regulates all other foods, cosmetics, pharmaceuticals, medical devices, tobacco
- TTB – regulates alcohol
- State level departments of agriculture or health usually oversee state-level food regulations
- County, township, or other local health departments perform most restaurant/retail food safety inspections





TALK TO AN EXPERT AT EACH REGULATORY LEVEL

- Start by taking in-person food safety classes hosted by trusted institutions.
- Federal agencies usually have regional offices or a 1-800 help desk, & Q&A email service
- State and local agencies usually have call-in information on their websites
- Every state has a cooperative extension food safety representative



PIECE OF ADVICE #3:

THERE IS ALWAYS A REGISTRATION, LICENSE, OR INSPECTION NEEDED, DON'T START SELLING FOOD UNTIL ITS COMPLETE

- The details of your business, process, and products all get evaluated during the registration, licensing, or inspection, NOT BEFORE.
 - Be prepared for required changes, corrections, or potential major roadblocks.
 - Be nice to the government representative or inspector!





PIECE OF ADVICE #4:

KNOW ALL OF YOUR COSTS, DOWN TO THE PER UNIT OR POUND

- Product input costs can add up quickly, and after a detailed analysis you may realize you are losing money on every unit or pound of product
- Costs of inputs will continue to rise, prepare for it
- Get a good lawyer on retainer and hire a procurement staff, they will save you money in the long run





PIECE OF ADVICE #5:

BUILD A MODERN WEBSITE, E-COMMERCE, AND MONITOR CUSTOMER REVIEWS

- If you only have a facebook page for your food business, you will appear questionable to consumers
- Consumers heavily research products online, read reviews, and make comments
- Try different methods and venues to sell your products, distribute to customers, and add delivery convenience if you are not in a traditional store



PIECE OF ADVICE #6:

DON'T GO CHEAP ON YOUR PACKAGING AND LABELING

- Consumers buy with their eyes...packaging, presentation, labeling, are critical
- Packaging is a food safety and quality barrier for shelf life. Make it easy for customers to transport products home and keep it safe and fresh
- Regulations will require certain information on labels





PIECE OF ADVICE #7:

LEVERAGE FOOD TRENDS,
HOLIDAYS, SPORTING EVENTS, OR
OTHER LOCAL EVENTS

- Food trends are widely discussed...leverage them in your marketing (i.e. high protein, no artificial flavors, etc.)
- Designing special versions of your products to reflect holiday flavors, sporting events, or other events can boost sales and interest in your products
- Be planning for the next special version a year in advance, and never stop developing





PIECE OF ADVICE #8:

GRANTS ARE TEMPORARY, DEVELOP A LONG-TERM FINANCIAL STRATEGY

- Grants are typically one-time sources of capital, never guaranteed, and come with very specific usage requirements
- Consider finding a Co-Packer to make your product, while you focus on marketing, sales, and distribution
- Leverage your veteran status with banks, institutions, or other organizations for financial support, tax support, or other





PIECE OF ADVICE #9:

HAVE A PLAN TO EXPAND FROM DAY ONE

- Continuously develop 1-5 year business plans with measurable benchmarks that include volume growth, production capacity, and personnel needs
- Accept you are not an expert at all areas of your business, hire those experts as you grow
- Keep seeking out advice from trusted experts



PIECE OF ADVICE #10:

REMEMBER, YOU ARE SELLING
FOOD TO THE PUBLIC NOT
YOURSELF OR YOUR OWN FAMILY

- Assume your food will be consumed by the most sensitive populations
 - Immunocompromised, infants, elderly are most vulnerable populations for foodborne illness
 - You are ultimately liable for the safety of your product, adherence to regulations, and laws.



QUESTIONS?

