

# Process & Packaging Options



Sage Food Group - [www.sagefoodgroup.com](http://www.sagefoodgroup.com)

# Processing Options

1. Cottage food operation
2. Shared kitchen
3. Build your own
4. Use a co-packer



# Cottage Food Operation



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# Cottage Food Act

## **Cottage Food Operations**

<http://www.cdph.ca.gov/programs/pages/fdbcottagefood.aspx>

## **Cottage Food Act FAQs**

[https://www.acgov.org/aceh/documents/AB01616FAQs\\_CCDEH\\_English.pdf](https://www.acgov.org/aceh/documents/AB01616FAQs_CCDEH_English.pdf)

## **UC Cooperative Extension, Small Farm Program**

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# Shared Kitchen



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# Shared Kitchen

- All GMPs and food safety apply
- Cleanliness
- Consider scale up strategy



# Include All True Costs



- Ingredients: labor & transportation
- Labor
- Setup, production, cleanup
  
- Artificial costs can result in problems later.

# Build Your Own Facility



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# Build Your Own Facility

## PROS

- Create facility you want
- Control quality, schedule
- Possibly better cogs
- Scale up, excess capacity
- Become a co-packer

## CONS

- Expensive
- Learning curve
- Manufacturing or selling?
- Mechanical issues
- Evolving regulatory requirements: FSMA  
<http://www.fda.gov/Food/GuidanceRegulation/FSMA/>

# Use a Co-Packer



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# What Is a Co-Packer?

- Licensed: State, FDA, USDA
- Certifications: Organic, kosher, GF, GFSI
- Experienced, expertise, equipment
- Purchasing power
- Different capabilities, minimums

# Why Use a Co-Packer?

- Spend time sales & marketing
- Leverage others' time and relationships
- Equipment & expertise
- Next level help
- Accurate cost
- Food safety
- Scale up
- Can be great partners



# Working with a Co-Packer

- Be prepared
- Samples
- Formula
- NDA
- Interview
- Realities

# Realities

- Co-packer competes with you
- Makes your competitors' products
- 50% down, balance upon completion
- Once you're on the market....



# Thank you kindly.



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