



# Food Manufacturing in Arkansas: Share Grounds Certified Kitchen

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Cooperative



Helping farmers and food entrepreneurs create value in Arkansas.











## What is the Share Grounds?



A technical assistance and training program for:

- Farmers or food entrepreneurs wanting to create value-added food products
- Product development support and food safety testing
- One-on-one consultation to explain food regulations, safety, liability, and permitting
- Access to a certified, food manufacturing kitchen at the Cleveland County Fairgrounds in Rison, AR

www.uaex.uada.edu/sharegrounds











# Who provides this technical support?



Dr. Amanda Philyaw Perez
Program Lead
Associate Professor



Dr. Renee Threlfall Program Lead Research Scientist



Hiring Process Authority Assistant Professor



John Swenson Food Innovation Program Specialist



David Hill SG Food Innovation and Safety Specialist



Gaby Sanders
Client Recruiting /
Web Manager



Social Media & Communications



Kamreon Riley Food Science Intern



Visit: www.uaex.uada.edu/sharegrounds

Email: sharegrounds@uada.edu

## What services are offered?

- Product development
- Product testing
- Equipment training
- Regulatory assistance

Food safety consultation

















By phone, email,

text, or in-person

technical assistance

## **Share Grounds Commercial Equipment**





40-gallon steam kettle

Ovens and Range

Hobart FP100 Food Processor

Pneumatic Piston Filler

8qt & 5qt KitchenAid Mixer

VitaMix Blender

**Cold Storage** 

Vacuum Sealer

20qt Hobart Mixer

Continuous Band Packaging Sealer

**Immersion Blender** 















## **Share Grounds Food Manufacturing Clients & Products**

- Share Grounds sites opened June 2020 for batch testing and production runs
- Assisted 100+ clients with food product development at various stages:
  - Salsa
  - Pickles
  - Teas
  - Commercial honey
  - Seasonings
  - Jellies
  - Frozen hand pies
  - Refrigerated yeast rolls
  - Pickled okra
  - Caramels and caramel sauce
  - Granola
  - Soybean dip
  - Elderberry gummies
  - Apple Sauces













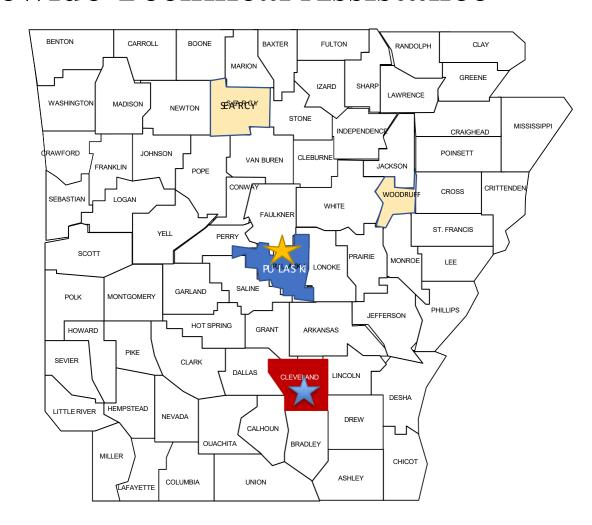
## **Statewide Technical Assistance**

## **Opportunities for Support:**

- Phone, Email, or Virtual Technical Assistance
- In-person in Little Rock or Rison, AR
- Kitchen rental at Share Grounds in Cleveland County.

We established two other kitchens, but farmers and food entrepreneurs are now using the Food Freedom Act to produce at home.

We hope that home-based businesses will see the opportunity to scale up soon.













## **Commercial Kitchen Facilities to Rent**



Little Rock











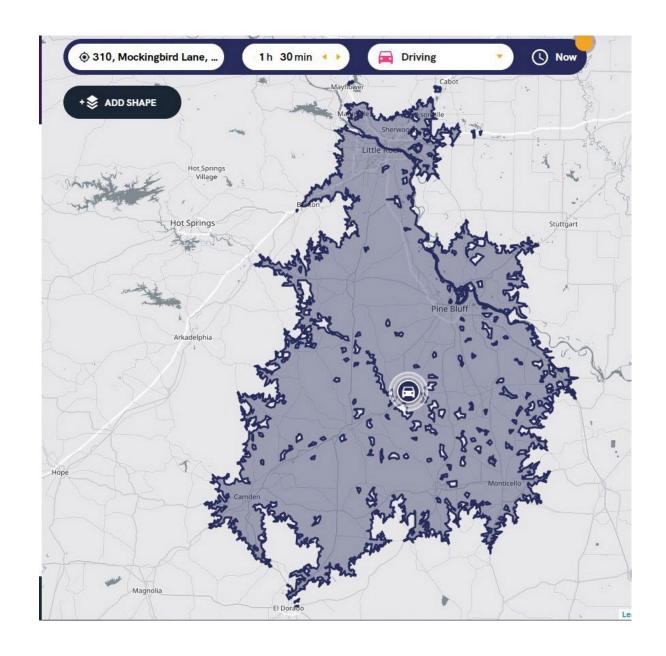








Offer support statewide, but recommend kitchen clients be ~ 1.5-hour drive from Rison, AR



# **Cleveland County**

















## **Client Intake Process**

1

#### **Review UAEX Resources**

To make better informed business decisions, review the following pages:

4

#### Purchase Insurance

In order to us the Share Grounds Kitchen, you must have product liability insurance in force. The Food Liability Insurance Program (FLIP) reprovides insurance to small food businesses (~\$300/yr).

7

#### **Product Label**

Develop a product label. The Product
Labeling Information Guide 7 provides
information on mandatory label
requirements. For a nominal fee, AFIC can
create a Nutrition Facts panel for your
product label.

2

#### **Client Intake Form**

Contact your local <u>Share Grounds Manager</u> to schedule an initial meeting and tour of the facility. Be prepared to discuss your food product and business strategy. During your meeting, you will receive a User Agreement, facility policies and a rental fee chart to review.

3

#### **Market Research**

Based on your meeting with the Manager, research retail options for your product and price shop ingredients and packaging for your product. Use these numbers to estimate your start up costs.

5

#### Trial Run

Schedule a time to run a trial batch of your recipe in the Share Grounds Kitchen. Bring a copy of your Insurance Policy and a signed User Agreement to the facility. This step may require multiple test batches to achieve the right recipe based on taste, quality and food safety.

8

#### Commercial Process Review

Prepare your application for the Arkansas
Department of Health, Wholesale/
Manufactured Food permit. Review all
paperwork and product label(s) with the
Share Grounds site manager.

6

#### **Develop Operational Procedures**

With the help of the manager, develop Standard Operating Procedures (SOP), Sanitation Standard Operation Procedure (SSOP), Recall Plan, Allergen Plan and other operational documentation for your food company.

9

#### **ADH Permit**

Apply for a food manufacturing permit from the Arkansas Department of Health. Once approved, provide a copy to the Share Grounds Manager.











## **Idea to Commercialization**

- Learn about food safety practices and food manufacturing regulations
- Purchase Food Liability Insurance (\$299/yr)
- Recipe development
- Develop Operational Procedures
- Create a product label
- Fill out a "Manufactured Food permit" application and submit paperwork to the Department of Health
- Once approved, register your company as a "food facility" with the FDA

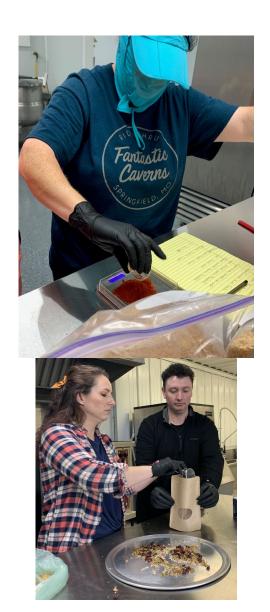












# **R&D Phase: A balance of quality and safety**

- Recipe development is unique to the individual product
  - Changes will occur based on ingredients, shelf-life and equipment
  - Certain products require additional product testing to ensure safety
  - Modifications to ensure safety may affect desired attributes
  - Mentally prepare to be flexible and have a financial cushion for this phase











## **Develop Standardized Procedures**



## Operations

- Employee Training, Health & Hygiene and Records
- Good Manufacturing Practices
- Allergen and Recall Plans

## Recipes

- Ingredient list and amounts for test batches and scale up batches
- Processing and packaging steps, testing protocols
- Labeling
- Recordkeeping

## Sanitation

- Cleaning, sanitization and monitoring of equipment and food contact surfaces
- Recordkeeping













## Labeling

## Required Label Information

- Statement of identity a)
- b) Net weight (both metric and US units)
- Ingredient list in descending order
- Name and place of business of manufacturer, packer or distributor
- Nutrition Facts Panel and declaration of allergens

#### Health Claims

- Evidence-based scientific standards
- These change over time

### Barcodes

• Depends on the buyer/market

### **FDA Guidance Resources:**

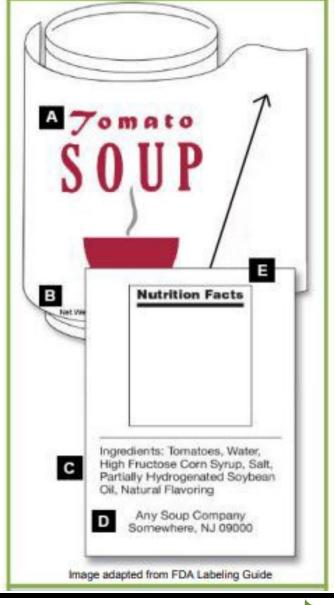
Guidance for Industry: Food Labeling Food Labeling and Health Content Claims













# **Estimation of Costs (Product only)**

A		В	С	D	E	F	G	н
Costs of Goods (COG)		Values		Notes				
2 Production time (hrs)		8		Change items in blue only.				
Rent (\$20/hr)	\$	160.00						
4 Labor (\$14/hr)	\$	112.00						
Labor x 1 (phone calls, deliveries, sales, accoun	ting) \$	112.00						
# of units produced		600.00		4oz contai	ners			
Label cost/unit	\$	0.50						
Packaging cost/unit	\$	0.10						
Raw Materials (ingredients)	\$	100.00						
o production cost/unit	\$	1.41						
1 Production cost/batch	\$	\$ 844.00		plug this value into Start Up cost sheet				
2 retail price of product	\$	6.00						
wholesale margin(%) (enter 0.35 for shelf-stab	le or 0.5 for							
3 fridge/frozen)		0.35						
4 wholesale price/unit		3.90						
5								
6 Profit/unit (based on wholesale pricing)	\$	2.49						
7 Profit/batch (based on wholesale pricing)	\$:	1,496.00						
8								
9 Profit/unit (based on retail pricing)	\$	4.59						
Profit/batch (based on retail pricing)	\$:	2,756.00						
21								

## Who Regulates Food Production?

- FDA
  - Regulates most food and beverages, except meat and poultry
- USDA
  - Regulates meat and poultry
- State Departments of Health
  - Regulates food safety in the state
  - Ensures the food sold is wholesome and represented honestly

















# Almost there!

#### ARKANSAS DEPARTMENT OF HEALTH

#### Environmental Health Protection-Food Service Section 501-661-2171



## PLAN REVIEW GUIDELINES For Manufactured/Wholesale Food Establishments

This Guide includes an example of a floor plan example, checklists of code requirements for Manufactured/Wholesale Food establishments. Plans are reviewed by appointment or may be mailed. For appointments, call 501-661-2171. For additional information call our Environmental Health Specialists for Manufactured/Wholesale Foods located in Little Rock at the address below.

Copies of the applicable regulations can be obtained by contacting Manufactured/Wholesale Foods or on our website at: <a href="https://www.healthy.arkansas.gov/rules-regs">https://www.healthy.arkansas.gov/rules-regs</a>

Mail plans and required documents to:

Environmental Health Protection Arkansas Department of Health 4815 West Markham, Slot 46 Little Rock AR 72205

Attn: Manufactured/Wholesale Foods Plan Review

Food Service Section does not review PLUMBING PLANS. If you have plumbing plans that need approval, plans must be submitted to Protective Health Codes. Contact a plumbing inspector if you have questions about plumbing approval. The plumbing plan review office can be reached at 501-661-2642.

#### To expedite review time, include the Plan Review Application forms listed below:

- Project Cost Estimate Worksheet and fee
- Establishment name and street address
- Source of water (Please include the name of municipal water source)
- Wastewater disposal (Please include the name of the municipal waste water)
- Floor plan showing location of all processing equipment
- Other items, such as finish materials for walls, ceilings and floors, as shown on the checklist
- Proposed Standard Operating Procedures

- Allergen control plan
- Labels for review
- Food Safety Plan
- Recall Procedures
- Proof of verification from Processing Authority if required
- Notarized permission letter from permit holder if required

# Ready to Produce!













# **Share Grounds Food Innovation Program**

- 356 direct client consultation services totaling
- 760 hours of <u>technical assistance</u> for food product development
- 92 <u>food entrepreneurs</u> made plans and received education to develop a recipe at the kitchen
- 35 clients made test batches
- 16 clients made <u>value-added products</u> in the kitchen between 2021-2023

















Blackberry Beer Project with Ritter Farms and Stone's Throw Brewing

















# VEGGIE TO VALUE: A FOOD ENTREPRENEUR BOOTCAMP SUMMER 2023

Would you like to receive FREE fresh, local produce and expert assistance to create a new food product? Here's your chance! We are taking applications to enroll three individuals or businesses into our program for Summer 2023 due Tuesday, May 30<sup>th</sup>!

## What is the program and what will you receive?

A food entrepreneur bootcamp for those interested in learning how to create a value-added vegetable product in a certified kitchen. The program will provide the following to you at NO COST:

- Pounds of FRESH and LOCAL produce supplied by Barnhill Farms
- · Access to a certified commercial food processing facility and equipment
- Technical and labor assistance on food processing from an expert team
- · Recipe development including ingredient and supply sourcing assistance
- Training on food safety and regulations







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Email: sharegrounds@uada.edu

Trends in Value Added Foods in Arkansas

Taking the Next Step to Food Entrepreneurship

The Arkansas Food Freedom Act

An Introduction to Food Processing

Getting Started: Venturing in Food Processing

**Microbiology of Food Processing** 

Personal Hygiene and Sanitary Food Handling

Processing Regulations for Small Food Manufacturers

**Producing for Farm to School** 

Basics of Producing Value-Added Food Products in Arkansas











# Thank you and Questions?



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Hiring
Process Authority
Assistant Professor



John Swenson Food Innovation Program Specialist



David Hill
SG Food Innovation
and Safety Specialist



Gaby Sanders
Client Recruiting /
Web Manager



Rip Weaver Social Media & Communications



Kamreon Riley Food Science Intern



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# Thank You to our Share Grounds Sponsors!





Agricultural Marketing Service









## **Arkansas Fair Boards:**

- Cleveland County
- Searcy County
- Three County (Woodruff, Cross, & Jackson,



Funding was provided by the USDA AMS Local Foods Promotion Program Grant, Southern Extension Risk Management Education Center, Arkansas Department of Agriculture - USDA Specialty Crop Block Grant Program, Arkansas County Fair Associations, West Foundation, and Community Donors.

# Thank You to our Sponsors!















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