The Process of Local Commercial Food Production

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Abstract

In 2013, New York’s Governor Andrew Cuomo created the Pride of New York pledge to promote the growth, production, and consumption of local foods. This initiative has inspired food entrepreneurs to start small businesses founded on the production of processed foods from personal recipes. The process of creating a food product for retail sale from recipe to store shelf is complex. Multiple steps are required that include finding a USDA approved processing facility that has the capacity to meet the demands of production.

This project was based on the development of a salsa recipe that would meet the standards for retail sale. The multiple step process started with an idea, in this case a homemade product often given as a gift to family members. Product development took place at Nelson Farms production kitchen. The steps to market included determining a target audience’s need or demand for a product of this type, food recipe development, and refinement to determine startup and value added costs and required resources, and food procurement while adhering to FDA and USDA regulations. The production process also entailed marketing of the developed product and assessing customer acceptability to predict the success of future product sales and the sustainability of the business.

The salsa product went retail and after three months on the shelf, the consumer acceptability has been measured by product sales and surveys of consumers. The numerical results showed consumer acceptance of the product supported by the fact that the product is going into a second production. Further sales records and customer feedback will be monitored and evaluated in order to determine the long-term sustainability of the product.

Food entrepreneurs who want to become part of the local food movement, whose business plan is to produce a product to be sold retail must adhere to a rigorous process ultimately should lead to the sustainability of their business.

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Stages of Product Development

Step 1. Product Brainstorming

Choosing the best recipe:
- I chose a fruit salsa recipe that I had first made when I was 11 years old so I was familiar with making it.
- The product was unique as I had created the recipe myself. (See Background)

Step 2. Identify Target Audience

Will the product sell, who will buy it, and is there a possible “niche” market?
- Recipe – Fruit salsa.
- Target audience – College students.
- The recipe was popular amongst college students and friends who had sampled the recipe in the past.
- Favorable qualities: snack food item, sweet and spicy flavor, no preparation needed, and shelf stable.

Step 3. Recipe Development

A product development facility is required for foods to be sold for commercial sales. Production facility was used was Nelson Farms

Recipe Development Steps
1. Desired qualities: Bright color from the fruits, like mandarin oranges and pineapple, and a moderate amount of spiciness provided by the hot peppers.
2. Recipe testing - A sample batch of the original recipe was made and tested for qualities like color, flavor, and spice. The product was evaluated by Amanda Hewitt Nelson Farms product development specialist and Nelson Farms staff members.
3. Recipe development: the original recipe was modified to achieve, a pH of 3.45 was recorded for the final recipe. Recipes with a pH below 4.6 are considered acidified food items.
4. A scheduled processing form was submitted to Cornell University, NYS States governing body on food safety, to ensure the safety of the food product.
5. Scheduled processing: A production processes approved by Cornell University, in order to assure product safety.

Step 4. Labeling

This step is about marketing your product based on the determined target audience or niche.
- Product name - Tiki Torch fruit salsa.
- Label design - label design was based on the products name, and the use of fruits like pineapple, and mango.
- Product label was created using the FDA food label guidelines at http://www.fda.gov/food/GuidanceRegulatoryInformation/LabelingNutrition/ucm064866.htm.

Step 5. Market Analysis

Product sampling held before large scale production of the finished product.
- Confirming your target audience: (see product sampling results).
- Label design feedback: (see product sampling results.)
- Price of product: $5.00 per 16oz jar.
- Sales locations: Nelson Farms, Morrisville State College.

Step 6. Ongoing Analysis

This step is used to determine the current success of your product, and used to make predictions of future sales.

Recipe productions
- production 81 - 11/25/15 180 (16 oz) jars.
- Production 82 - 1/3/16 155 (16 oz) jars.

Sales results
- Total number of jars sold as of February 2016: 271 (16 oz.) jars.
- Results = 55% of production total was sold within 4 months of product launch.

Sales analysis and feedback
- Currently Tiki Torch has been on the market for 5 months.
- Customer feedback on the product has been very positive within the target audience of college students.
- The product was chosen by SUNY Poly, as a product to be sold in their campus market.

Conclusion

Food entrepreneurs who want to become part of the local food movement, whose business plan is to produce a product to be sold retail must adhere to a rigorous process that ultimately should lead to the sustainability of their business.

Discussion

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