Starting your Alaska Food Business Successfully

Alaska Food Festival & Conference
Anchorage, AK
November 7-9, 2014
All Food Business Owners must have: **Business Licenses**

- **Alaska Business License:**
  - [https://www.commerce.state.ak.us/CPB/BusinessLicensing/](https://www.commerce.state.ak.us/CPB/BusinessLicensing/)
  - Cost: $50.00 per year

- **City or Local Business License:**
  - Check with your city to determine if there is a city business license. Juneau, Palmer and Fairbanks all have city business licenses or registrations.
  - Cost: Varies
Working Under Cottage Foods

On June 25, 2012 new Alaska Food Code regulations were adopted to allow the sale of non-potentially hazardous foods directly to the consumer without a permit if certain conditions are met.
Cottage Foods: Alaska DEC FSS Requirements

- Keep and provide detailed knowledge about the ingredients of the food product and how it was processed, prepared and packaged.
- Have the food product recipe or formulation available in case there is ever a concern about the safety of the product. For pickled or dried product the producer needs to have information available about the pH or water activity.
Cottage Foods:
Requirements Continued

- Process, prepare, package, and sell the product only in Alaska.
- Sell directly to the consumer by an individual who knows what ingredients were used to make the product and how the food was prepared and packaged. This individual must be able to answer consumers’ questions about the product, including whether allergens are present in the food product.
Cottage Foods: Requirements Continued

- **Do not** distribute or sell the product to stores, restaurants, by mail order, or on consignment.
- Keep total gross receipts of sales of food items to show gross sales do not exceed $25,000 within a calendar year.
- If the food **is not** prepared in a permitted, approved, or inspected kitchen, inform the consumer by a card, placard, sign, or label placed in a conspicuous area that states the following: "**THESE PRODUCTS ARE NOT SUBJECT TO STATE INSPECTION**"
Cottage Foods: Requirements Continued

- Label packaged food with either: an Alaska Business License number OR the name, physical address, and telephone number of the individual who prepared the food. This allows DEC to trace the product back to the producer if there is a problem or complaint.
Cottage Foods Resources

- Alaska DEC Home Based Food Businesses website:  
  http://dec.alaska.gov/eh/fss/Food/Cottage_Food.html

- Alaska Cooperative Extension Service:  
  http://www.uaf.edu/ces/small-food-business/

- Guide to Operating a Successful Home-based Food Business:  
  http://www.uaf.edu/ces/pubs/catalog/search/index.xml
Temporary Food Permits for Farmers Markets & Events

This type of permit is intended for short term events, farmers markets and fairs.
**AK DEC FSS Temporary Permit**

<table>
<thead>
<tr>
<th>Event Length</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 day events</td>
<td>$35.00</td>
</tr>
<tr>
<td>2-3 day events</td>
<td>$65.00</td>
</tr>
<tr>
<td>4-7 day events</td>
<td>$90.00</td>
</tr>
<tr>
<td>8-28 day events</td>
<td>$120.00</td>
</tr>
<tr>
<td>120 day events (Farmers’ Markets)</td>
<td>$120.00</td>
</tr>
</tbody>
</table>

Note: Cost doubles if permit applications are received less than 1 or 2 weeks (depending on event length) before the event.
Temp Event: 
Food Worker Card

- Alaska DEC (Statewide): [http://alaska.state.gov/foodworker/](http://alaska.state.gov/foodworker/)


- Cost: $10.00
Resources

- Alaska DEC:  
  [http://dec.alaska.gov/eh/fss/Food/TFS_Home.html](http://dec.alaska.gov/eh/fss/Food/TFS_Home.html)

- Municipality of Anchorage:  
  [http://www.muni.org/departments/health/admin/environment/fss/Pages/default.aspx](http://www.muni.org/departments/health/admin/environment/fss/Pages/default.aspx)
Mobile Food Units:

**Food Trucks**

- Push Cart
- Mobile Unit Not Self-contained
- Mobile Unit Self-contained
- Mobile Retail Vendor
## Mobile Food Units Checklist

<table>
<thead>
<tr>
<th>Item</th>
<th>Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEC FSS Plan Review</td>
<td>$200.00</td>
</tr>
<tr>
<td>DEC FSS Annual Permit</td>
<td>$175.00 (annually)</td>
</tr>
<tr>
<td>Alaska Motor Vehicle Registration</td>
<td>$100.00 (bi-annually)</td>
</tr>
<tr>
<td>Auto Insurance</td>
<td>Varies</td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>Varies</td>
</tr>
<tr>
<td>Certified Food Protection Manager Certification</td>
<td>$175.00-$200.00 (Good for 5 years)</td>
</tr>
<tr>
<td>Food Work Cards</td>
<td>$10.00 per card (3 years)</td>
</tr>
<tr>
<td>Traceback &amp; Product Records</td>
<td>None – just time</td>
</tr>
<tr>
<td>Water Sampling</td>
<td>Varies</td>
</tr>
</tbody>
</table>
Mobile Food Units: Resources

Alaska DEC Department of Food Safety and Sanitation:
http://dec.alaska.gov/eh/fss/Food/carts.html

Municipality of Anchorage:
http://www.muni.org/departments/health/admin/environment/fss/Pages/default.aspx
Basic Permitted Food Business

Non-potentially hazardous foods such as baked goods.
## Basic Food Bus. Checklist

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<tr>
<th>Item</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>DEC FSS Plan Review</td>
<td>$175.00-$200.00 (one-time)</td>
</tr>
<tr>
<td>DEC FSS Annual Permit</td>
<td>$200.00-$250.00 (annually)</td>
</tr>
<tr>
<td>Product Liability Insurance</td>
<td>Varies ($550.00-900.00)</td>
</tr>
<tr>
<td>FDA Food Facility Registration</td>
<td>Free</td>
</tr>
<tr>
<td>Certified Food Protection Manager’s Certification</td>
<td>$175.00-200.00 (good for 5 years)</td>
</tr>
<tr>
<td>Alaska Food Worker Card (for additional employees)</td>
<td>$10.00 per person (good for 3 years)</td>
</tr>
<tr>
<td>Item</td>
<td>Cost</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Nutrition Labeling</td>
<td>Varies ~$150.00 or more</td>
</tr>
<tr>
<td>Recall Plan &amp; Trace back records</td>
<td>Free - but takes time</td>
</tr>
<tr>
<td>Fire Marshall for building</td>
<td>Hopefully None!</td>
</tr>
<tr>
<td>Water &amp; Wastewater Reqs. For building</td>
<td>None</td>
</tr>
</tbody>
</table>
Acidified Foods

“Acidified foods” are low-acid foods to which acid(s) or acid food(s) are added; they have a water activity greater than 0.85 and have a finished equilibrium pH of 4.6 or below (21 CFR 114.3(b)).

Examples:
- Pickled Beets
- Pickles (pickled cucumbers)
- Salsas

Does not include fermented foods (sauerkraut, kim chee, water kiefer)
Acidified Foods

Commercial production of these foods must comply with FDA Regulations: CFR Chapter 21 – Part 114 (21 CFR 114) unless operating under the Alaska DEC Home Based Food Business Exemptions also referred to as the Alaska Cottage Foods Exemptions.

# Acidified Foods Checklist

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled Process</td>
<td>Varies</td>
</tr>
<tr>
<td>Better Process Control School</td>
<td>$375.00-...</td>
</tr>
<tr>
<td>DEC FSS Plan Review</td>
<td>$200.00</td>
</tr>
<tr>
<td>DEC FSS Annual Permit</td>
<td>$200.00</td>
</tr>
<tr>
<td>FDA Food Facility Registration</td>
<td>Free</td>
</tr>
<tr>
<td>FDA Process Filing</td>
<td>Free</td>
</tr>
</tbody>
</table>
## Acidified Foods Checklist

<table>
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<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nutrition Labeling</td>
<td>$150.00-…</td>
</tr>
<tr>
<td>Recall Plan</td>
<td>Free but time intensive</td>
</tr>
<tr>
<td>Product Liability Insurance</td>
<td>Varies, expect &gt;$1000.00 annually</td>
</tr>
<tr>
<td>Fire Marshall (for building)</td>
<td>Free</td>
</tr>
<tr>
<td>Water/Waste water requirements (for building)</td>
<td>Free</td>
</tr>
</tbody>
</table>
Meat & Raw Meat Products

- Oversight by USDA (not AK DEC FSS)
- Examples:
  - Slaughter of animals
  - Making raw sausages, etc.
  - Jerky
  - Etc.
Types of sales

- Direct to Consumer – Sold on the hoof (uninspected)
  - Only saleable direct to consumer. No resale allowed.
- USDA Inspected Plant carries out slaughter.
  - Saleable direct to consumer or wholesale.
- Build/Permit your own USDA inspected facility.
  - Saleable direct to consumer or wholesale.
Poultry Exemptions – 1000 limit exemption

- A person may slaughter or process on his or her premises poultry that he or she raised and they may distribute such poultry without mandatory inspection (when specific criteria are met)

- For more information: [http://www.caes.uga.edu/topics/sustainability/documents/USDAPoultry_Slaughter_Exemption_0406.pdf](http://www.caes.uga.edu/topics/sustainability/documents/USDAPoultry_Slaughter_Exemption_0406.pdf)
Dairy and Milk Production:
Office of the State Veterinarian

- Regulations for dairy and milk:
  - 18 AAC 32 Articles 1 & 2
Raw Milk

- Raw milk may not be sold in the State of Alaska
- Raw milk cheeses are permitted as long as all requirements are met under Alaska DEC 18 AAC 32 Article 2: Milk, Milk Products and Reindeer Slaughtering and Processing: Cheese
Thank you!

QUESTIONS?!?!?!

For More in-depth information, please join us for our next Starting and Operating a Specialty Food Business - February 3-17, 2015
Marketing Strategies for your Alaska Grown business

Amy Pettit, Alaska Division of Agriculture
✓ Identifying Markets
✓ Targeting YOUR Market
✓ Branding YOUR Business
✓ Advertising
✓ The Alaska Grown Program
✓ Questions?
Identifying Markets: Who wants your product?

- General Public?
- Restaurants?
- Institutions?
- Schools?
- Remote lodge?
- Wholesaler?
- Grocery Store?
Targeting YOUR Market

➢ Where do they shop?
➢ How do they get their information?
➢ Who do you contact?
➢ How do you tell them about your product?
➢ What price are they willing to pay?
Pricing your Product

- Cost of production
- Cost of storage
- Cost of selling
- YOUR TIME
- What are other businesses charging?
- Wholesale versus retail
Costs of Production

- Ground preparation
- Seeds
- Fertilizer
- Irrigation
- Weeding
- Harvest
- Labor
- Packaging
Carrots

General Public

Grocery Store

Wholesale Price
Branding YOUR Business

- What is your story?
- What makes your business unique?
- Is it memorable?
- Keep it simple
- Does someone else already have that name?
Advertising!

- Free advertising
- Earned media
- Word of mouth
- Social Media
- Paid advertising
  - TV
  - Radio
  - Print/Publication
  - Signs
Picked to pour — Alaska Berries plans winery from plant to finished product

By Jenny Neyman
Redoubt Reporter

By the time Alaska Berries opened its new winery last month, owners Brian and Laurie Olson had already spent two years of intricate, meticulously conducted, carefully recorded
Free Advertising: Word of Mouth
Know your market

Who are you trying to reach?

Today, 72% of online adults use social networking sites
#1 Be responsive
#2 Be Nice
#3 Share Useful Info
#4 Create Value

Be conversational
SPEED is critical
Be *careful* with humor
Respond to questions ASAP
LOOK. ASK. BUY.

Direct from the Farm ~
Local Restaurants ~ Grocery Stores

Questions?

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Amy.Pettit@alaska.gov