

Cottage Food Success

A Labeling Guide and Toolkit for Creating Canned Food Products that Sell

This Cottage Food Success Labeling Guide and Toolkit provides ideas with step-by-step instructions on how to increase sales of canned products made in your home kitchen under your state's cottage food law through improved labels and creative packaging.

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(www.homemadeforsale.com)

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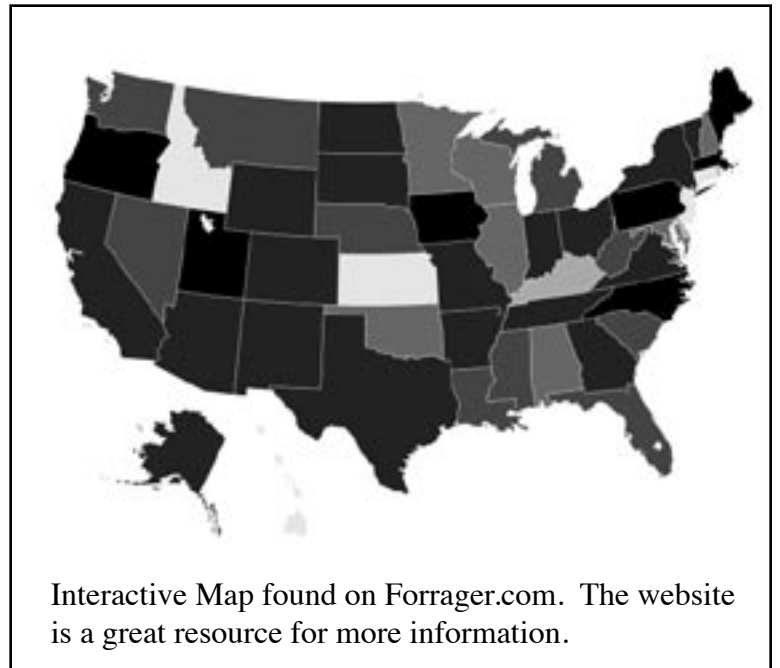


1. Key ingredients of cottage food businesses: Opportunities in your home kitchen

Finally, the freedom to earn from our home kitchens.

In nearly every state in our country, farmers and home cooks of all backgrounds can now sell to their neighbors and community certain “non-hazardous” food products made in their home kitchen, often with very few regulations. Chalk it up to the Great Recession, but states from coast to coast have loosened up their laws over the last five years and passed what are known as cottage food laws that allow homeowners to sell to the public either low moisture foods, like breads and cookies, and/or high acid food products, like jams, jellies and pickles. For homesteaders, urban or rural farmers and beginning farmers who are already lining the shelves of their root cellar with jams, preserves, pickles and salsa, the cottage food laws make it relatively easy to generate another revenue stream from your produce and diversify your operation.

We delve into the details on these laws in our book, *Homemade For Sale*, the first authoritative guide to launching a food business from your home kitchen. The book’s website has lots of resources and helpful links to get you started and even includes a press release template. While you should review the latest definitive legal requirements for your state, in our book we devote many pages to the marketing of your product and getting set up as a business, including how to manage your finances and the risk associated with selling food products. Not all states’ cottage food laws are the same and by definition, cottage food laws are a state-by-state issue. A great source for information on your state’s laws and cottage food operators throughout the country is Forrager.com.



Every cottage food law will address, in some way, four basic questions:

(1) What products can you sell?

Your state cottage food law will define which “non-hazardous food products” you can sell. In many cases, there is no home kitchen inspection required or fee to be paid to the state. In some cases, it’s a matter of following specific approved recipes and making sure you label your product with certain key information and language – again, defined by your state’s law.

(2) Where can you sell your products?

From farmers’ markets to holiday bazaars, there are many venues to sell your cottage food products. Depending on your state’s cottage food law, you may be restricted to certain venues and possibly prohibited from selling from your home or making deliveries to your customers. Just understand your options and create a business around those.

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(3) How much of your products can you sell?

Because the cottage food laws are designed to help jump-start new food businesses, most laws have a gross sales cap. Once you exceed that sales cap, ranging from \$5,000 to \$50,000, you'll need to produce your product in a licensed food production facility. The last section of Homemade for Sale addresses opportunities to expand your enterprise using a co-packer, incubator or community kitchen or constructing a commercial facility appropriate to your food product.

(4) In what ways are you allowed to sell your products?

Your products sold under cottage food laws must be sold directly to your customers. In other words, most cottage food laws do not allow for wholesaling to other retailers or mail order. Also, cottage food products typically cannot be sold outside your state.

Once you've answered these questions and understand how the cottage food law operates in your state, you'll then need to figure out whether what you make is worth selling. If people clamor for your products, that's an excellent sign.

Opportunities in Canned Products

Most state's cottage food law allows some form of home canned product, typically the safer high-acid canned items with a pH of 4.6 or lower. Such high-acid canned items often include jams and jellies, salsas, sauerkraut and various pickled vegetables, including classic cucumber pickles.



Why this Toolkit?

While opportunities abound to sell home-canned products, the packaging of these items may not accurately communicate and market what's inside. You may be an expert pickler, consistently making jar after jar of a tasty product. But with your overly simple paper label stuck on with packing tape, things may be looking a little too "homespun," perhaps resulting in a loss of sales.

With some design thought and minimal time and cost, you can amp up the professional look for your products so that on one level they look like they could be off the shelves at Whole Foods or Williams-Sonoma, yet still communicate that your products are not mass produced and instead were each hand-crafted by the producer: you!

This Toolkit uniquely brings together key packaging elements for you to create visually appealing products after they leave your hot-water bath canner. From labels to jar packaging to market display, we'll take you through step-by-step ideas to potentially increase your sales by improving how your products look and thereby authentically communicating what your product is all about.

1. Key ingredients of cottage food businesses: Opportunities in your home kitchen

What this Toolkit is Not

This Toolkit focuses on the packaging of your product, the outside elements versus the edibles inside. It's up to you to decide upon and craft the tasty and appealing jam, pickles or whatever is inside the jar. This Toolkit helps you after the jar comes out of the hot water bath canner.

In most states, high acid canned products need to come from a reputable, tested source with recipes deemed safe. Your grandma might indeed have been known for her fabulous tomato sauce, but her preservation methods might not hold to today's scientific standards and the tomatoes you use may have had a different acidity level.

Some resources for tested recipes include:

- University Extension
Check-out tested recipes beyond your state's site. Utah, Pennsylvania, Washington, Vermont and Wisconsin have particularly strong and well-organized material.
- National Center for Home Food Preservation: nchfp.uga.edu
- Ball Blue Book (1994 or more current only)
- Ball Canning website www.freshpreserving.com



2. Branding Your Product: Elements of success & top pitfalls

Branding may be one of the most important yet overlooked aspects of your cottage food business. Farmers, especially, love the growing side. Home preservation enthusiasts love to hear that “ping” when the batch of jars sitting on the counter seals up. Yet by putting some thoughtful strategy beyond the ingredients and product and thinking about what image you aim to communicate, your connection to your customers and resulting sales will increase.

Market Ripe for Cottage Food

Here’s the good news: Homemade and handmade and all things local are hot. From Buy Local to Small Business Saturdays, from slow food to fancy food, from farm-to-fork to handmade artisan breads, more people than ever are demanding real food made by real people -- not by machines in factories, the same way they make cars and computers.

The growth of farmers’ markets, specialty food products and farm-to-table restaurants that source their foods directly from farmers and food artisans satisfies this hunger for foods with ingredients we can pronounce, made by people who live at places we could visit, maybe even in our home town.

Below are a few more trends worth considering:

- Organics are growing 9 percent annually. More than 81 percent of US families say they are trying to buy some things organic, according to the Organic Trade Association.
- The specialty food business grew more than 22 percent between 2010 and 2012, according to the Specialty Food Association. The two most likely characteristics of new products include gluten-free food (38 percent) and convenient/easy-to-prepare items (37 percent).
- Farmers’ markets continue to grow, with a 3.6 percent increase from 2012 to 2013, totaling 8,144 markets in the US, according to the USDA’s Agricultural Marketing Service.

As more research findings surface on the improved health, nutrition and taste of products made from real ingredients, the greater the demand for these products made with no preservatives, artificial flavors or colors or mystery ingredients courtesy of the science lab.

Cottage food enterprises like yours address these growing trends, solving problems and meeting customer needs like few large corporations ever could. As a result, your micro enterprise often has a competitive advantage -- beyond the minimal regulations of the cottage food laws themselves. Your small size, direct connection and responsiveness to customer needs and attentive detail to each and every product reach way beyond large food companies.

“As a beginning farmer, the fact that I could sell my products right away during my first season was valuable in so many ways. Making one small batch at a time, it was easy to respond to the desires of my local market.”

Betty Anderson of The Old Smith Place in Brodhead, Wisconsin

2. Branding Your Product: Elements of success & top pitfalls

Define Your Brand: Top Pitfalls

Your brand, by definition, is your identity: what authentically makes you who you are. This is particularly noteworthy for farms as, in essence, you are selling a piece, a taste, of your farm experience -- packaged in a jar. It's an opportunity to connect with your customers emotionally, to share values that lead to loyalty that then adds up to a profitable business for you.

A couple key things to avoid and watch out for when developing your brand:

No branding at all

You see this unfortunately quite often at farmers' markets, with exceptionally boring and nondescript white labels with basic black type stuck on jars. A missed opportunity to share your story.

Too homespun

Using packing tape to stick on your labels. Give your product the professional look it deserves.

Lost product visual

Don't lose the beauty of your green pickles or vibrant red salsa by hiding behind clunky design elements or getting lost on your farmers' market display table.



Define Your Brand: Elements of Success

On the flip side, some key elements to celebrate in your product and brand:

Hand-crafted

The fact that each of your labels is affixed personally, most likely by you, is something to be championed. If they each aren't perfectly stuck on, use this as a conversation starter with your customer on how you did each yourself. Or maybe part of your brand is that this is a family-integrated business and your kids or grandkids help in the labeling process.

Share Your Story

What varietal of cucumbers did you use? How do you practice sustainable agriculture? What do you not add to your product (i.e., preservatives, chemicals folks can't pronounce)? These are all elements that add up to what makes your business and your products unique and personal.

Dress it Up

You're not making thousands or probably not even hundreds of jars. You don't need to ship jars commercially over thousands of miles. With this in mind, you can have fun with adding elements to dress up the outside of your product that commercial industrial production never can. From fabric toppers to raffia ties, you'll find ideas in this Toolkit to get you started.

3. Key Elements of Label Design

Adhere to State Requirements

The first step in label design is to know any specific requirements from your state and make sure you adhere and include those. Most states will require you to include your name (as the producer), home address where it was produced and date the item was produced.

For example, in Wisconsin, we are required to have the following on the label:

- Name and address of the person who did the canning
- Date of canning
- Ingredients (in descending amount by weight)
- This exact statement wording: “This product was made in a home not subject to state licensing or inspection.”

According to Wisconsin’s cottage food law, any allergens must be labeled. However, most of these items are not allowed in high-acid canned products: milk, eggs, fish, shellfish, nuts, wheat, peanuts or soybeans.

While you need to follow all your state requirements, you may have some flexibility in exactly how those requirements are met. Unless your state regulations specify otherwise, you can use a smaller type font size (still being legible) or even print the regulation verbiage on a separate small label and adhere to the bottom of the jar, out of sight but still technically on the jar.



Celebrate the Small-Batch Premium

There’s a balance between your products looking too slick and professional and overly informal and homespun. The fact that you hand made your product in exceptionally small batches compared to Classics of the world is something to showcase in your product.

“Think carefully about what message, what story, you want to communicate about your farm and how that can play out in the packaging of your product,” offers Brett Olson, Creative Director at Renewing the Countryside, a Minnesota-based non-profit that supports farmers in a variety of training and programs. Are you more minimalist and modern, or playful and informal? “From the font you choose for your labels to the colors of additional elements like ribbon or fabric, these choices communicate to potential customers what you are all about.”

3. Key Elements of Label Design

“Remember you don’t necessarily want your product to look too slick and professional either because the fact that your pickles were personally made by you in your home kitchen is something to showcase and celebrate as well,” adds Olson. While you will want to computer print labels for time efficiency, you could still add in a hand-written note on each label of the jar number within the batch: Jar 10 of 14. “Such a small, personal addition adds instant value to your product as customers know it’s limited and rare, just like fine art prints are numbered and signed.”

Increasing Label Options

With today’s improved home printers along with more options for pre-formatted labels, you can readily create a professional-looking label right at home. Avery Custom Labels, available at most major office supply stores like Office Depot or online, offers a wide variety of label shapes and sizes, specifically designed for small batch processing. Avery also offers free online template software for creating your label.



We used Avery Print-to-the-Edge Glossy Oval Labels True Print 22820, the larger 2-inch x 3-1/3-inch size that fits nicely on both half pint and pint sized jars.

We add the required state verbiage “around” the perimeter of the label (something you can readily do with the Avery template), which meets the state requirement yet minimizes this legal verbiage and enables us to focus more on the actual product.



The above label, with the USDA Organic Certified logo, is an example of a label used on a product produced in a certified commercial kitchen, in this case at a co-packer.



The above label emphasizes that the product is “Made in Small Batches.”

4. Jar Appeal: Adding effective visual appeal

Simple effective add-ons can literally “add-on” to your sales by creating visually interesting and appealing jars. The following takes you through step-by-step a variety of options, depending on the look you are aiming for and the market venue you will be selling at:

A) Jar Toppers

Fabric circles add color and create a homespun yet professional look to your jars.

When choosing fabric, think about:

- Pattern selection. It’s appealing to the eye to have patterns all from one color family or theme, but be sure to use different patterns for each of your products to make them easy to spot and avoid confusion.
- Holiday-themed patterns work well for winter market sales.

Making Jar Toppers

Step 1: Create a circle template pattern, either an 8-inch circle for pint jars or 6-inch circle for half or quarter pint jars. You can either cut out a heavy-duty cardboard circle as a template or use a plate or container lid that appropriate size. Use this template to draw a circle with a marker on the back-side of your fabric.



Step 2: Cut out circle. Pinking shears, shears with a serrated blade, add an interesting jagged edge and help prevent fraying.



4. Jar Appeal: Adding effective visual appeal

Step 3: Use a hot glue gun to add a dot of glue to the middle of each jar lid. Attach the center of the fabric circle to the glue dot. This helps keep the fabric on the jar and makes it easier to attach the tie (Step 4).



Step 4: This last step is easiest as a two-person job: One person holds the glued fabric square tightly down and around the edge of the jar while the other person ties a ribbon around the tight fabric. This enables a tight tie. For a more rustic look, use twine instead of ribbon.



Have Fun with the Cloth Patterns

Don't be afraid to mix it up with the cloth pattern toppers. Different designs can add a nice touch to your display at market.

You could even make different types of pickles correspond with different patterns, to make it easier at the market to sort out the bread & butter sweet pickles from the sour dills.

4. Jar Appeal: Adding effective visual appeal

B) Paper Toppers

- Cut paper circles

Adding a cut-out paper circle to the top of the jar adds color via a clean, modern look. Using various colors of the same pattern can be eye-catching, as seen with this chevron pattern.



Step 1: Using a clean jar lid, trace the exact side circle. Cut out circle.



Step 2: Place circle on top of jar and screw on lid (no glue needed).



- Baking cups

Standard-sized baking cups work well for toppers for jars with regular mouth-sized lids (not wide). With the increasing variety of colorful cups on the market thanks to the cupcake craze, lots of options are available at craft stores with larger cake decorating departments.

As these paper toppers are much easier to change and replace than the glued fabric toppers, so you can readily change up your jars to tie into a Christmas market or other holidays such as red for Valentine's Day or fall-colored themes.



4. Jar Appeal: Adding effective visual appeal

C) Other Ideas

Other simple ideas to add a hand-crafted, creative touch to your product:

Wide ribbon wrap

Add a wide ribbon around center of jar; affix via a hot glue gun. Place label on top of jar. Burlap readily adds a popular shabby chic aesthetic to your product.



Washi tape

Also in the hip element category, wrap washi tape around your jar for an easy pop of color. Washi tape is a high-quality masking tape made of rice paper, making it attractive yet the low tack adhesive useful makes it extremely versatile and easy to use and stick.



5. Time Management: Label & package efficiently

Remember to keep sales your number one goal as you plan how to manage your time in creating your jar packaging. Managing your most valuable resource -- time -- is a key ingredient in achieving this.

Some things to keep in mind:

- *Use your off-season, slower time*

For those producing items utilizing produce you raised, summer undoubtedly racks up as your busiest time. Focus your energy on raising, harvesting and producing your product and just getting it to the final canned jar product state. Keep records of your batch processing per your state's requirements, but deal with labeling in the off-season.

Best case scenario is you can use the dormant winter months to do your labeling and adding other design elements. If you do summer markets, this would mean selling the previous year's inventory during the summer season while harvesting and processing next year's stock.

However, reality can be different. We may need to sell inventory as soon as we create it. This can be a good situation to have: your product is popular and selling! If this is the case, you can still use the winter months to do some of the prep work such as cutting fabric toppers and measuring tie-ribbons so that you can use your time effectively in the summer.

- *Create systems*

Having all your supplies in one place ensures an efficient production process. Keep all items specific to labeling and packaging in one place, such as the cardboard templates for fabric toppers.

Cut out and create multiple elements at a time. It's much easier and efficient to cut all the paper circles out at once and then place them on jars in one batch.

- *Enlist help -- and make it fun!*

Sticking on labels and cutting out patterns is an easy way to involve children and other members of your family. This process is especially helpful for kids to start to understand the entrepreneurial process and seeing how a product goes from "field to market."

As packaging and labeling don't require much brain power, these are easy activities to do while listening to a book on tape or podcast or catching up on binge watching Game of Thrones!



6. Market Sales: Display design, sampling & inventory transport

From weekly farmers' markets to special annual holiday venues, make the most of these events as they are prime arenas for sales where likely buyers gather.

Display Design

Visually seeing your attractive jars is a key element in sales. Placing barn boards on components such as terra cotta pots add easy height as well as break-down easily for transport. A small bookshelf that you can move around easily can also add both an interesting visual and height.

Sampling

Hands down, giving potential customers the opportunity to sample your product leads to increased sales. This is especially important when you're selling something unique and perhaps at a premium price. We noticed this with our Pickled Pumpkin, an unusual pickled combo of pumpkins with cloves and cinnamon, rooting back to Lisa's Estonian heritage. Sales increased when we sampled, as this was simply something folks were not familiar with.



A first question is to ask if the venue you are at has any specific requirements regarding sampling or if there are other state or local regulations you need to comply with. Often venues or municipalities may also require proof of insurance if you will be sampling. Depending on the size and scope of your operation, going through and paying for these hoops may simply not be worth the cost to sample.

If you do choose to sample, use it as a fun way to engage potential customers. If you're sampling different flavors of a product, have your customers "vote" for their favorite.

Inventory Transport

A key element in selling your product: Getting it to your sales venue in salable condition. You'll want to do this in a manner that again uses time wisely and ensures efficient set-up and break-down.

Invest in sturdy storage and transport containers. Find containers that readily stack and fit efficiently into your car, van or truck.

If something does get bumped or damaged during transport, these are good items to pop open for sampling (if your market allows that) or bartering with other vendors post-market.

7. Targeting holiday sales: pricing, gift baskets & add-on sales

Premium Pricing at Holiday Markets

Holiday markets offer the potential for higher pricing and increased sale volume for canned items. Everyone is in a festive, shopping mood and shoppers might likely be willing to pay more for special pickles for their mother-in-law at Christmas than a family night average supper.

Grouping a few items together in a basket adds value. Keep an eye out at Goodwill for inexpensive baskets.

“I can a variety of high-acid products using our CSA farm surplus all summer long. In the winter, I find my salsas and spicy items sell well when folks are looking for holiday gifts. I’ll package a few items together in a basket and sell them at a premium price, ready to give as a gift.”

Erin Schneider, Hilltop Community Farm (LaValle, Wisconsin)



Some ideas to increase holiday sales:

- Add natural elements to the basket for seasonal charm, such as pinecones or dried greenery.
- Change jar toppers to a holiday-themed pattern and ribbon.
- Wired garland ribbon adds whimsical sparkle.



8. Resources

Information:

Homemade for Sale: How to Set Up and Market a Food Business from Your Home Kitchen

By Lisa Kivirist & John D. Ivanko

Forrager.com

Sources for supplies:

Avery Custom Labels
www.avery.com

Michael's Craft Stores
www.michaels.com

Jo-Ann Fabric and Craft Stores
www.joann.com



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