



GALLOWAY GLENS

Landscape Partnership

Galloway Glens and Business Gateway Dumfries & Galloway 'Business Academy' Resource Pack:

Starting or growing a small Food Producing business

Based on presentations given in Castle
Douglas on the 29th April 2019.

The poster is for the '2019 Business Academy FOOD PRODUCERS' event. It features logos for Galloway Glens, Lottery Funded, Dumfries & Galloway, and Business Gateway. The text reads: '2019 Business Academy', 'FOOD PRODUCERS', 'Starting or Growing your small Food business', 'Mon 29th April, 5:30 – 7pm, Mr Pook's Kitchen, Castle Douglas'. It also includes contact information: 'Book through Helen Keron: helen.keron@dumgal.gov.uk 07827 306 866' and a 'FREE EVENT' badge. An orange banner in the top right corner says 'EVENT 3'.

2019 Business Academy

FOOD PRODUCERS

Starting or Growing your small Food business

Mon 29th April, 5:30 – 7pm, Mr Pook's Kitchen, Castle Douglas

Book through Helen Keron:
helen.keron@dumgal.gov.uk
07827 306 866

FREE EVENT



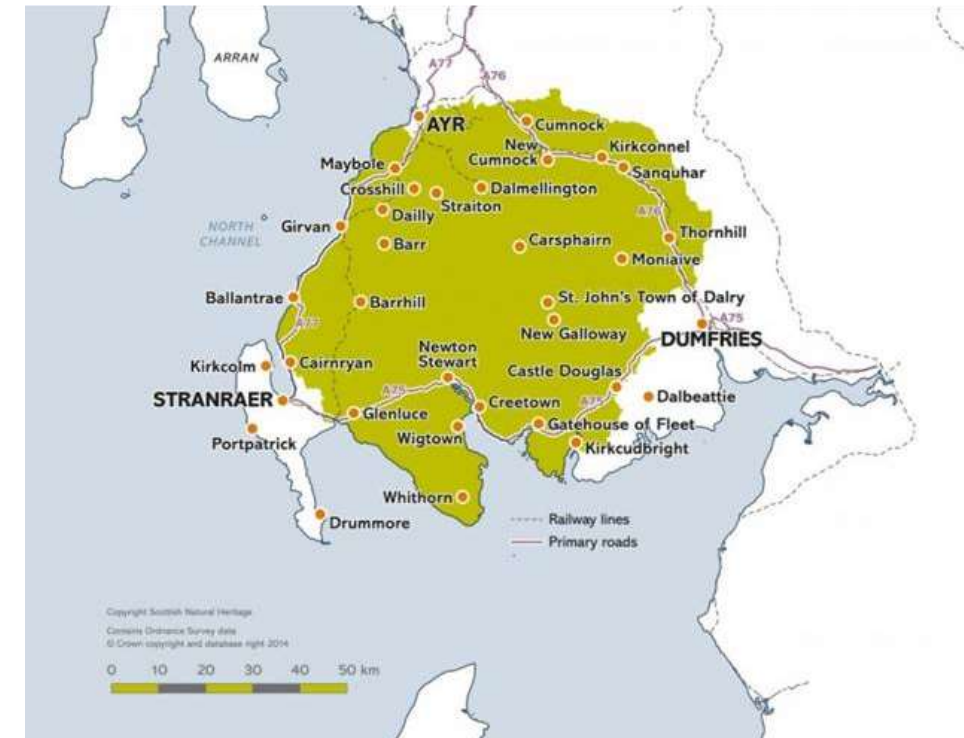
The Galloway Glens Landscape Partnership Scheme

- 35 projects across the Galloway Glens area over the next 4 years.
- The GGLP area covers the Glenkens, Castle Douglas and Kirkcudbright.
- 'From Source to Sea' – follows the route of the Ken and Dee rivers.
- Funded by the Heritage Lottery and other partners, including Dumfries & Galloway Council.
- All GGLP projects are aimed at connecting people with their heritage and supporting sustainable rural communities.



Galloway and South Ayrshire Biosphere

- This area is so special, UNESCO designated it as a Biosphere in 2012. (1 of only 2 Biospheres in Scotland.)
- You can use this in your marketing, depending on your product.
 - UNESCO Biosphere
 - Dark Sky Park
 - Galloway Forest Park
 - Loch Ken
 - Solway Estuary
- All of these will attract different niches of customers and can provide you with inspiration.



Presentation 1:



Starting a Food or Drink Business – Regulatory Compliance

Helen Keron, Galloway Glens

Things to consider when starting your micro Food or Drink business:

- Food Standards
- Environmental Health sign-off
- Labelling – allergens



Before Opening (at least 28 days):

- Register your new business for free with DGC Environmental Standards dept:
<https://dumgal.gov.uk/article/15644/Register-your-food-business>
- Fill in the form:
 - Q5: If you're making food in your home: Food manufacturing and processing
 - Q6: If it's just you: Sole Trader
 - Q7: ONLY if you are a limited company.

APPLICATION FOR THE REGISTRATION OF A FOOD BUSINESS ESTABLISHMENT

(Regulation (EC) No. 853/2004 on the Hygiene of Foodstuffs, Article 8(2))

This form should be completed by food business operators in respect of new food business establishments and submitted to the relevant food authority 28 days before commencing food operations. On the basis of the activities carried out, certain food business establishments are required to be approved rather than registered. If you are unsure whether any aspect of your food operations would require your establishment to be approved, please contact Environmental Health, at the address below, for guidance.

1. Address of establishment _____
(or address at which moveable establishment is kept) _____ Post code _____

2. Name of food business _____ Telephone no. _____
(trading name)

3. Full Name of food business operator _____

4. Address of food business operator _____
_____ Post code _____

Telephone no. _____ E-mail _____

5. Type of food business (Please tick ALL the boxes that apply):

Farm Shop ☐	Staff restaurant/canteen/kitchen ☐	Sole Trader ☐
Food manufacturing/processing ☐	Catering ☐	Partnership ☐
Packer ☐	Hospital/residential home/school ☐	Limited Company ☐
Importer ☐	Hotel/pub/guest house ☐	Other (please give details) ☐
Wholesale/cash and carry ☐	Private house used for a food business ☐	
Distribution/warehousing ☐	Moveable establishment e.g. ice cream van ☐	
Retailer ☐	Market stall ☐	
Restaurant/café/snack bar ☐	Food Broker ☐	
Market ☐	Takeaway ☐	
Seasonal Slaughterer ☐	Other (please give details): _____	(If Limited Company, please complete 7. below)

7. Limited company name _____ Company no. _____

Registered Office address _____
_____ Post code _____

8. Water supplied to the food business establishment: Public (mains) supply ☐ Private supply ☐

9. Full name of manager (if different from operator) _____

10. If this is a new business _____ Date you intend to open _____
11. If this is a seasonal business _____ Period during which you intend to be open each year _____

Signature of food business operator _____

Date _____

Name _____
(BLOCK CAPITALS)

AFTER THIS FORM HAS BEEN SUBMITTED, FOOD BUSINESS OPERATORS MUST NOTIFY ANY CHANGES TO THE ACTIVITIES STATED ABOVE TO DUMFRIES AND GALLOWAY COUNCIL AND SHOULD DO SO WITHIN 28 DAYS OF THE CHANGE(S) HAPPENING.

HACCP / Cook Safe



- Become familiar with the principles of **HACCP** – Hazard Analysis and Critical Control Points.
- Mostly formalised common sense, but it is important.
- Following Cook-Safe will mean you are following a HACCP system.
- **Keep all required records diligently**
- Take an on-line training course in Food Safety – Food Hygiene Course Level 2, also known as Basic Food Hygiene.
 - Level 1 not acceptable for people who actually handle food.
 - £12 - £20 – have a Google

Before Opening:

- Familiarise yourself with the online resource **Cook Safe** manual
- <https://www.foodstandards.gov.scot/publications-and-research/publications/cooksafe-manual>
- Create your **House Rules** – required contents and templates can be found at the above link.
 - Training
 - Personal Hygiene
 - Cleaning Schedule
 - Temperature Control
 - Cross Contamination Prevention
 - Pest control
 - Waste control
 - Maintenance
 - Stock control
 - Allergen Management
 - Acrylamide Management



**DON'T
PANIC!!**

Labelling

- Pre-packed items **MUST** have:
 - The name of the food
 - Their ingredients listed in proportional order
 - The proportion of **named** ingredients given ('Quidding')
 - Any of the 14 EU Allergens highlighted within that list, either by *font*, **style** or **background colour**.
 - Instructions for use, if required.
 - Quantity (g / ml)
 - Use-By date
 - Name and address of the manufacturer.
- All the above information must be given in a minimum font size of 1.2mm.



Labelling

- <https://safefood.eu/SafeFood/media/SafeFoodLibrary/Documents/Education/Whats%20on%20a%20label/GCSE-Food-Labeling-Requirements-Classroom-Slides.pdf>



Brother Label printer: £40

Dymo Label printer: £190



Thermal printer = no ink to run out

TOP 14 FOOD ALLERGENS

European Union

crustacean (shellfish)
crab, shrimp, prawn



molluscan shellfish



{ wheat cereals with gluten rye barley }



egg



milk



tree nuts



peanuts



celery



mustard



sulphur dioxide and sulfites



soy



fish



sesame



lupin



Some labels



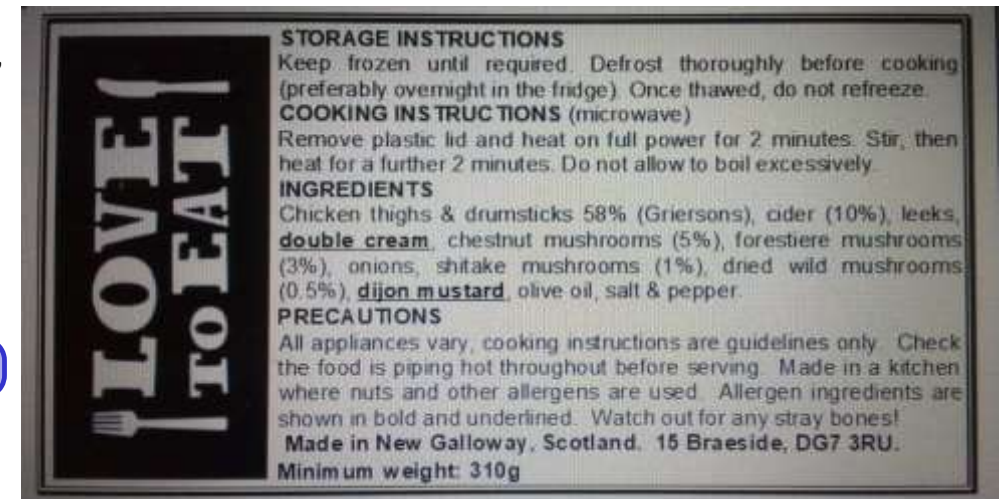
Showing allergens in bold,
but no QUIDing



Showing QUIDing of named
ingredients, but not highlighting
the allergens, and no address.



QUIDing, allergens,
usage instructions,
Best Before date,
quantity, Address
inc. postcode.



Lastly:

- Register as a self-employed Sole Trader with HMRC
 - <https://www.gov.uk/working-for-yourself>
 - <https://www.gov.uk/set-up-sole-trader>
- Clean your kitchen and get ready for an inspection by Environmental Health! They are very supportive, but will want to check that all of the above points are in place before you start selling your products.





GALLOWAY GLENS
Landscape Partnership

Presentation 2:

Selling at a Farmer's Market

Helen Keron, Galloway Glens

With thanks to all the stall holders who have advised me.



Things to consider:

- What Farmer's Markets are out there
- Effective presentation of goods
- Financial considerations
- Food safety
- Top tips for manning your stall



Our Farmers' Markets

The Galloway Glens region is well supported by Farmers' and Producers' Markets.

Glenkens Community Market

Dalry Town Hall, St Johns Town of Dalry

Time: 10am-12.30pm

Dates: 2nd Saturday of each month

Castle Douglas Producers' Market

Castle Douglas, Church Street

Time: 11am-3pm

Dates: 3rd Sunday of each month

Kirkcudbright Farmers' & Producers Market

Town Hall or Soaperie Gardens, Kirkcudbright

Time: 11am-3pm

Dates: 4th Sunday of each month (Mar-Dec)



DG Markets is an umbrella organisation that co-ordinates and promotes Markets in the region – you can contact them here for more details:
<http://www.dgmarkets.org/contact>

Our Farmers' Markets

Glenkens Community Market

Small, friendly market currently looking for a diversity of stall holders.
£10 / table, £5 / half-table.

Half-price rates if you can mobilise at 2-days' notice.

Contact Jean Lockerbie on 01644 430454 for enquiries.

Castle Douglas Producers' Market

New market that is beginning to get well established.

£20 / table, £5 for electricity in addition.

Contact Gillian Warden on cdcoordinator@gmail.com for enquiries

Contact

Kirkcudbright Farmers' & Producers' Market

A larger and very well established market.

£25 / table

Contact Niomi Brough on kirkcudbrightmarkets@gmail.com for enquiries.



Effective Presentation

- Height
- Groups of three
- Multiple groupings
- Containers
- Tell your story
- Clear pricing
- Free samples (remember hygiene!)
- Consider props if you have a boring product (!)
- Table cloth
- Poster / banners
- Business cards / flyers





Telling the story – aprons,
gingham, flour



Height, multiples,
use of colour



Telling the story,
containers



Multiples,
containers



Multiples,
height



Eye-catching
advertising

Financial Considerations



- Consider:
 - What the cost of the stall is
 - Total time to transport, set-up, man and dismantle x living wage (£8.75/hr)
 - Cost of free samples and other consumables
- What your gross profit per item is
- How many items you can fit on the stall / bring with you
- How many you think you'll sell
- If the base costs as above are lower than your likely gross income, then this is not a good basis for a business!

Compliance issues

- Labelling
 - Be prepared for a spot check by Environmental Health / Trading standards
 - They will check your labels for the required information, and take a sample of your product away for analysis of the ingredients.
- The Market organiser will need to see evidence of:
 - Occasional alcohol licence if selling alcohol drinks
 - Product insurance
 - Public liability insurance
 - Food safety training course



Food Safety

It is critical to assure that your food is still safe to eat at the point of sale.

- Chilled? Keep on ice? Plug-in fridge?
- Frozen? Plug-in freezer.

Regular temperature checks!

- Use-by dates
- Quality undamaged containers / packing materials
- Clean table-cloths
- Single-use food samples



Top Tips

- Give yourself plenty of time to set-up!
- Iron your tablecloth, make sure it's clean!
- Always bring business cards / flyers with you - you never know who's looking.
- Sampling works, but don't put loads out.
- Don't pack up your stall until the end, as a courtesy to the shoppers and other stall-holders.
- Bring a seat but try not to use it; certainly stand up to talk to people.
- Be prepared and happy to talk about the story of your business, people like to feel involved.
- Don't keep people chatting if they're clearly just browsing.
- Similarly, if people are happy to chat, make sure you're not losing other sales while you chat.
- Look approachable; don't look desperate!



Presentation 3:

Selling in a retail outlet

Louise Matheson, The Dumfries Larder





The Dumfries Larder

Speciality and fine foods; gourmet gadgets and gifts

The Dumfries Larder
Now Selling:
Milk & Cream
Sally's
Fresh milk and cream



- Limited business established June 2017
- Business premises located October 2017
- Lease signed March 2018
- Shop Doors Opened Friday 25 May 2018

High-quality delicatessen, specialising in cheeses

We also sell: coffees, teas, gin, beers, ciders, wines, chocolates, spices, curry kits, culinary gifts ...

We're still establishing ourselves and still learning



Dumfries & Galloway brands we currently stock include:

- Galloway Lodge Preserves
- Nith Valley Bees honey
- The Ethical Dairy cheeses
- Kedar Mozzarella
- Cows & Co, Loch Arthur & Cairnsmore cheeses
- Saucy Desserts
- Co Co Co Chocolates
- The Nithsdale Smokehouse Smoky Barrel Jerky
- Nith Valley Eggs
- Hills & Harbour Gin
- Five Kingdoms Brewery
- Sulwath Brewery
- Steilhead Cider

Margin

- Let's assume an annual turnover of £100k

Cost of
Products to sell

60%

£60,000



£40,000

- So a product bought for £6 really needs to sell for £10 to cover the overheads.
- This margin can be dropped a bit for lines that will bring people in or sell in high volumes – but not by much!



A word about ...



VAT

- Most retailers have to be VAT registered.
- Even if you are small enough not to have to charge VAT, **they do** (on standard-rated goods).
- Also if you supply zero-rated ingredients that are made-up into standard-rated products, it will have to be factored in then too.
- Let's say you sell a bar of chocolate at a Farmers' Market for £5, and don't have to charge VAT on it because you are too small.
- If you sell it to a retailer for £4, and suggest they sell it at £5 too, 83p of that £5 goes straight to HMRC.
- Leaving 17p or 4% margin for the retailer to cover their 40% overheads.



For the sake of argument, let's talk more about **chocolate** ...

You make a beautiful, handmade, luxury, chocolate bar, right here in Dumfries & Galloway and it tastes out of this world. You are really passionate about chocolate; it completely consumes you and you can wax lyrically about it to anyone!

That's nice, but...

...here's (some!)
of what you're
up against:





So now what?

Do:

- Have a Unique Selling Point – being local isn't necessarily enough!
- Understand what you're up against – market research
- Know what you want, where you want to go and how you will get there
- Research the business you're selling to

Don't:

- Over promise sales targets that the shop will reach.
- Be disappointed if it's a "no"
- Offer prices to the retailer that render your business model unworkable.



What's important to a retail food business?

- Margin!
- Quality of the product; not just the taste, or that it is “local”, but provenance, packaging, process
 - Not going to be able to offer samples of everything, so the packaging has to sell itself.
- Shelf life – the longer the better.
- Needs to be a good fit with everything else we sell
 - Do your research before applying
- How you market and sell the product / brand
 - Can you provide flyers, business cards, Point of Sale information etc
- All the regulatory boxes must be ticked: Food Standards, Environmental Health, Trading Standards etc



What else really helps?

- Treat the retail buyer like any customer – tell the story, be passionate and respectful.
- Give free samples with the first few orders; meet-the-maker events might follow...
- Provide Point of Sale material.
- Offer a product turn around (take away items approaching Use By to sell at Farmers Markets, swap for new) or a trial period.
- Be clear about payment terms – cash on delivery is fine, but be sure to agree in advance.
- Small quantities work best to begin with
- Be genuinely open to feedback and constructive criticism

Presentation 4:

Pricing and Business Tips

John King, Business Gateway



Foodies Starting and Growing your Business

Business Gateway

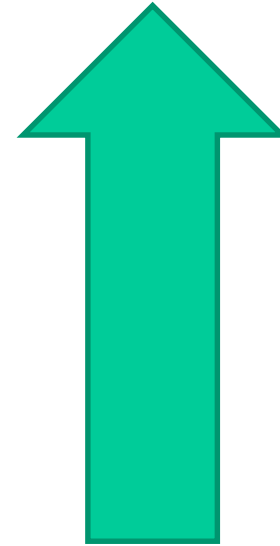
- Free impartial advice
- 1:1 Advice on starting and growing your business
- Workshops
- Social Media
- www.bgateway.com
- www.facebook.com/businessgatewaydumfries

What will your business look like in 3 years time?
If everything went to plan.



Your routes to market?

1. Farmers markets
2. Direct
3. Local Retailers
4. Wholesalers
5. Supermarkets



Your routes to market?

1. **Farmers markets** – low cost, simple, great feedback, high prices, limited
2. **Direct** – ecommerce website, digital strategy, harder than it looks
3. **Local Retailers** – limited, delivery
4. **Wholesalers** – has to sell itself, volume, restaurants
5. **Supermarkets** – difficult customer, low margins, ultimate volumes

Pricing

- Cost plus – minimum margin
- Competitive pricing
- Positioning – economy vs premium
- Discounts
- Bundling
- Promotions

What margin do you need to give to your channel?

Business Gateway



Business Gateway





Pricing

What don't you get paid for?

- Sales meetings
- Social media and queries
- Post and packing and stock ordering
- Meetings and training
- Bookkeeping

What does it cost you to make each product?

How do you sell to retailers?

1. Find your prospects
2. Get an appointment
3. Find out what the customer needs
4. Explain your product
5. Close the sale
6. Keep your promises even when its costly

What is your Business Model?



Where can you add value?

Which steps do other businesses do better than you?



Process

- How easy are you to deal with?
- What happens when you are not available?
- Customer queries
- Feedback
- Returns

Work hard to make it easy for your customers

Top 10 tips for getting started

1. Get a separate business bank account
2. Use accounting software if you need to analyse
3. Keep originals/copies of ALL receipts
4. Keep originals/copies of ALL invoices
5. Record ALL business miles
6. Get a system, get organised
7. Keep 15% in sweeping account for HMRC Tax & NI
8. Do your bookkeeping regularly and often
9. Consider hiring a Bookkeeper or Accountant
10. Keep in contact with your Business Gateway Advisor



Thank you!

- For more details, see www.gallowayglens.org
- Or contact Helen Keron, Education and Community Engagement Officer, Galloway Glens.
 - Helen.keron@dumgal.gov.uk

All information correct at April 2019.