



Food Entrepreneurship Series



Using an Approved Kitchen to Prepare Food for Sale



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Food entrepreneurs have two ways to produce foods for sale to consumers in Indiana. Some limited types of foods can be produced in a home kitchen if those foods qualify under the home-based vendor rule (see *Using a Home Kitchen to Prepare Food for Sale*, Purdue Extension publication FS-18-W). But entrepreneurs who wish to sell foods that don't qualify for this exemption will need to work with an approved kitchen facility.

Where does an Indiana entrepreneur find an approved kitchen facility to produce the food product they wish to sell? That depends on the type of food product and the selling location.

Entrepreneurs who want to market to a larger customer base with a wider variety of products than the home-based vendor exemption allows must manufacture their products in an approved facility separate from a home kitchen. An approved facility is one that is inspected either by the Indiana State Department of Health (ISDH) or by one of the 93 local health departments (www.in.gov/isdh/24822.htm). Retail food businesses not on state property are inspected by the local county health department. Retail food businesses on state property and food wholesalers are inspected by the ISDH.

Retail food sales are those sold directly to a consumer by the processor or distributor, such as at restaurants, grocery stores, festivals, fairs, and carnivals, and through Internet sales.

A **food wholesaler**, as defined by the ISDH, is "any business that manufactures, packages, repackages, or transports human food for distribution to another entity for resale or redistribution." This excludes residential kitchens and bed-and-breakfast operations.

Meat, poultry, egg, and dairy processing operations must comply with completely different sets of regulations. Please refer to *Regulations for Indiana Food Processing* (Purdue Extension publication FS-16-W) for more information.

Approved Facilities for a Small-Scale Food Business

Restaurants, camps, schools, inspected church kitchens, and retirement homes are some examples of kitchen facilities that may be available for short-term, small-scale production of wholesale food products. An entrepreneur may want to talk with local caterers, the local chamber of commerce, or the Indiana State Department of Health for a list of businesses that might be available for use. An entrepreneur should verify with the local health department that any facility considered for use meets all sanitation and



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health requirements. If the facility is to be used for wholesale production, it is recommended that the entrepreneur contact the Indiana State Department of Health Food Protection Program (<http://www.in.gov/isdh/21068.htm>) to discuss the intended use.

Additional Food-Production Options for Entrepreneurs

Community kitchens, commercial kitchens, or incubator kitchens are a popular option for entrepreneurs starting a food business. These kitchens are set up so that numerous starter businesses can use the facilities. There is usually a kitchen manager, and a wide variety of foods can be processed, depending on the equipment available. Each kitchen has its own payment structure for kitchen usage time and storage costs.

Another option for entrepreneurs to produce a product is working with a **co-packer**, which is a commercial producer who regularly produces a similar product and is available for contract production. Co-packers typically have larger processing and packaging capabilities and may be able to assist in identifying ingredient sources. A list of commercial kitchens and co-packers can be found at links.foodsci.purdue.edu/commercialkitchens. Training on the use of equipment, cleaning, waste disposal, and storage of finished products should all be taken into consideration when writing an agreement.

A **certified food handler** must be employed at most food establishments. The certified food handler does not have to be on site at the time of production, but this person is responsible for all operations at the food establishment (<http://www.state.in.us/isdh/21059.htm>). If no employee is certified, the entrepreneur may need to become certified.

Numerous exemptions exist for the certified food handler requirement based on menu items or business classification (e.g., nonprofit). For more information, please see the frequently asked questions found here: http://www.state.in.us/isdh/files/FAQ_November_2010.pdf.

Wholesale food establishments must register with the state health department 30 days before starting business, but there is no fee. Retail operations usually need a license or permit from the county health department, most of which do require a fee.



Preparation of food products for sale to the public must be done under sanitary conditions.

Storing Ingredients and Finished Product

Other factors that might affect selection of a food-production facility are the storage of ingredients and of the finished product. Regulations require that once an ingredient package is opened, it must be kept in the facility of production. Keep in mind that the type of ingredients (e.g., dry, refrigerated, or frozen) and the amount of space required for each ingredient because space may be limited or costly. Storing only one day's ingredients may be preferable to long-term storage.

All ingredients should be obtained from sources that comply with applicable state and federal statutes and regulations, and with local ordinances. Raw materials and other ingredients should be inspected and segregated as necessary to ensure that they are clean and suitable for processing into food. Finally, separation of raw and cooked or finished product is very important in ensuring safety of the final product. Based on storage availability and cost, it may be best for a finished, packaged product to be warehoused away from the production location.

Type of Food Product

Certain food products will have specific regulation requirements (e.g., standards of identity, inspection requirements, etc.). Always check with your local health department or the Food Protection Program at the Indiana State Department of Health (<http://www.in.gov/isdh/20640.htm>) before proceeding.

The Indiana State Board of Animal Health (www.in.gov/boah) is the regulatory agency involved with

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any meat, poultry, and dairy products sold within Indiana.

Acidified and low-acid foods can be processed only under the supervision of a person who has attended a Better Process Control School and has a scheduled process, prepared by a process authority, for the foods produced. A co-packer manufacturing facility often is used for these types of products. The facility, product, and scheduled process must be filed with the U.S. Food and Drug Administration (FDA) via a Form 2541. For more information, see *Regulations for Indiana Food Processing*, Purdue Extension publication FS-16-W.

Allergens and Food Processing

Many people have food allergies that can lead to serious illness or even death, so proper labeling and ingredient handling by a food processor is critical. Allergens are naturally occurring proteins in some foods that can cause abnormal responses of the immune system.

According to the Indiana State Department of Health (ISDH) website, “food products not labeled properly with an allergenic ingredient would be considered misbranded due to an undeclared allergen. Food could be considered adulterated if contaminated with an allergen.”

According to the FDA, the following foods account for more than 90 percent of all food allergies and must be declared as ingredients: peanuts, soybeans, milk, eggs, fish, crustacean shellfish, tree nuts (e.g., walnuts), and wheat. Producers must ensure that no cross-contamination with undeclared allergens occurs during production of a food for sale.

Food processors who prepare products that contain allergens should review the ISDH website or the FDA allergen information section (www.fda.gov/Food/FoodSafety/FoodAllergens/default.htm).

References

Indiana State Department of Health

Food Handler Certification, www.in.gov/isdh/files/FoodHandler-Final.pdf (accessed October 2011)

Food Protection Program, <http://www.in.gov/isdh/20640.htm> (accessed October 2011)

Local health departments in Indiana, www.in.gov/isdh/24822.htm (accessed October 2011)

Indiana Board of Animal Health

Food Safety and Inspection, www.in.gov/boah (accessed October 2011)

For more information, please refer to other publications in the Food Entrepreneurship Series:

FS-14-W, Organic Foods

FS-15-W, Food Preservation Methods

FS-16-W, Regulations for Indiana Food Processing

FS-18-W, Using a Home Kitchen to Prepare Food for Sale

All of these publications are available at the **Purdue Extension Education Store**, www.the-education-store.com.