Scaling Small-Batch Food Production in Cities

Lessons from Boston, New York City, and Washington DC

Land Use Policy & Real Estate Development
Community of Practice
Urban Manufacturing Alliance

Leah Archibald & Ilana Preuss, Co-Chairs
April 19th, 2017
Today’s Agenda:

• Welcome and introductions
  – Poll – Where are you calling from?  
    – 5 minutes

• What is the Land Use Policy & Real Estate Development CoP?
  – Leah Archibald & Ilana Preuss, Land Use CoP Co-Chairs 
    – 5 minutes

• Introduction to Today’s Webinar and Speakers
  – Leah Archibald – Facilitator 
    – 5 minutes

• Washington DC Case Study
  – Maya Atlas – Member Development Manager, Union Kitchen 
    – 10 minutes

• Boston Case Study
  – Jen Faigel – Founder & Executive Director, CommonWealth Kitchen 
    – 10 minutes

• New York Case Study
  – Anita Shepherd, Founder & CEO, Anita’s Yogurt 
    – 10 minutes

• Question and Answer Session
  – Please type your questions into the Questions box in your Control Panel 
    – 25 minutes

• Thank you!
The Urban Manufacturing Alliance

UMA is a coalition of 500 members across 150 cities that are sustaining and growing manufacturing in urban centers. Through Gatherings, original research, policy development, and our Communities of Practice, UMA is working to ensure that cities continue to be places where we make things.

Manufacturing matters, and it matters deeply to the health and vitality of cities. A strong urban manufacturing base supports innovation, sustains living-wage jobs that provide a crucial pathway to the middle class, and promotes workforce inclusion.
What is a CoP: A *mechanism for our members to easily access each other’s expertise and drive the creation of resources.*

UMA’s Four CoP’s include:
- Equity
- Land Use Policy and Real Estate Development
- Workforce Development
- Local Branding
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• Thank you!
Maya Atlas
Union Kitchen Food System
Washington, DC
Established 2012

make it. move it. sell it.
We were (loosely) founded on a cookie!

- **August, 2012**: 6 months after opening Blind Dog Café as a popup in a bar – the search for more kitchen space begins. Co-Founders find NoMa facility, 7,000 square feet of shared commercial space.
- **December, 2012**: Union Kitchen opens with 4 members.
- **January, 2014**: Union Kitchen signs lease on second facility in Ivy City; 16,000 square feet of commercial production.
- **February, 2013**: First Union Kitchen member is accepted to vend at Whole Foods.
- **March, 2014**: Union Kitchen signs lease on storefront property.
- **August, 2014**: Union Kitchen hires full-time employee to start distribution program for members.
- **November, 2014**: Union Kitchen signs lease on storefront property.
- **December, 2014**: Union Kitchen hires full-time General Manager.
- **December, 2015**: Union Kitchen has helped hire over 300 employees, open 45 storefronts, is distributing over 500 SKUs to over 70 retailers.
- **May, 2015**: First Union Kitchen Grocery opens at 1,000 square feet, stocking 200 Member Products.
- **July, 2016**: Union Kitchen Distribution opens a 16,000 square foot warehouse to inventory Member Products.
- **August, 2016**: Accelerator Program launches with 10 Partner Business.
- **August, 2015**: Union Kitchen Ivy City (our second production facility) opens. Now with Member specific production space for increased scalability. Now a total of 110 Members.
- **October, 2016**: Union Kitchen opens Manufacturing Facility at Ivy City with high scale and volume production abilities.

**Make it. Move it. Sell it.**
At Union Kitchen, we build successful food businesses by creating a system that drives value to businesses at all stages of growth. We use four lines of business to support the development of our Members.

KITCHEN   DISTRIBUTION   GROCERY   ACCELERATOR
MEMBER DASHBOARD
An online resource for all Members with varied access to business development content. Members and administrators can track progress and unlock sequential chapters to learn more.

Sections include:
• Best practices and deeper dives into: managing finances, raising funds, production, pricing, scaling, marketing and sales.
• Vendor and service-provider information
• Job boards and vending opportunities
Community Development

EVENTS
Vendor Fair — bring vendors and service providers into our Kitchen to demo their services to all Union Kitchen Members

Meet the Makers — Open house with all Union Kitchen Members demoing // First portion of the event is reserved to buyers and press // Second portion is open to the public

VENDING OPPORTUNITIES
Partnerships with Farmer’s Markets, event planners, retailers and festivals to secure Union Kitchen Member participation

EDUCATION and RESOURCE SHARING
ListServes, newsletters, community events, workshops, lunch and learns,
Membership Engagement

Just starting out // ASSOCIATE MEMBERSHIP
Limited to resources, no kitchen access
21 participating Members

In the kitchen, working towards scale // KITCHEN MEMBERSHIP
Full access to resources, meetings with staff
75 participating Members
Members with >5 employees: 31
Members with <5 employees: 44

Crucial moment of scalability // ACCELERATOR MEMBERSHIP
Full access to resources, meetings with staff, white glove consulting and investor pitch coaching
9 participating Members

make it. move it. sell it.
Distribution and Grocery

Let's get you there // DISTRIBUTION
100+ retailers; 600 SKU product guide; Fresh program facilitating daily deliveries; 16,000 square feet of storage
• warehousing capabilities for products
• communication with retailers about desired local products
• chain of communication between retailers and producers

Local products on local shelves // GROCERY
2 Grocery locations, with the intention of reaching every neighborhood market. Coffee, hot bar and deli food programs. Grocery staples as well as a full line up of standout local products.
• special training programs for staff
• demos and increased sales opportunities for Members
• public venue for Union Kitchen educational programming
By the Numbers — and thank you!

900+ JOBS CREATED

COLLECTIVE INVESTMENTS RAISED BY UNION KITCHEN MEMBERS

$8 MILLION

$1,500 ANNUAL REVENUE PER SQUARE FOOT

23,300 SQ. FT. OF PRODUCTION SPACE

$35 MILLION

70 MEMBER STOREFRONTS

23 MEMBERS IN WHOLE FOODS

make it. move it. sell it.
CommonWealth Kitchen

Boston’s non-profit food business incubator and food manufacturing social enterprise.

WE’RE ON A MISSION TO BUILD A JUST, EQUITABLE & SUSTAINABLE REGIONAL FOOD ECONOMY by:

- promoting inclusive entrepreneurship,
- creating jobs with few barriers to entry,
- improving healthy food access, and
- strengthening the infrastructure needed for a robust, resilient regional food system.
Pearl Food Production Small Business Center

- 36,000 SF former meat processing facility on 2 acres
- Vacant for 10+ years
- Located in the heart of Boston’s Promise Neighborhood & HUD CHOICE Neighborhoods zone

$15m+ investment: 28 different funding sources!

- HUD CHOICE Neighborhoods
- State MassWorks grant
- New Market Tax Credit Investment
- Federal HHS grant
- City of Boston
- Boston Community Capital
- CEI/Wholesome Wave
- Dorchester Bay EDC
- MassDevelopment/EPA
- Mass. Dept of Ag Resources
- Foundations

Opened in June 2014
Pearl Food Production Small Business Center

- 36k SF gross; 25k SF leasable
- Goal: multi-tenant facility to support growing food companies
- CWK: 12k SF
- Other food companies: 13k SF
- 55+ food companies operating on site
- Employing 200+
CommonWealth Kitchen’s recipe for success

Getting started

14k SF of fully-equipped commercial kitchens for rent on a membership basis - 50+ members; 70% minority/women-owned, 140+ employees

Industry-specific technical assistance on topics like recipe scaling, permits, licenses, safe food handling, sourcing, distribution, LEAN manufacturing…

Getting to Market

Access to markets through coordinated marketing and outreach, strategic partnerships with retailers, distributors, buyers, etc.

Growth/Scaling

Business assistance through workshops, mentoring, coaching, and strategic partnerships plus access to capital; hiring/staff training support

Small batch food manufacturing for wholesalers, retailers, farms, restaurants and institutions - 30+ contracts
A sampling of our members’ delicious products!
We provide **contract manufacturing** to help our member companies efficiently scale, while also providing processing for local farms, restaurants, wholesalers, and institutions.
OUR IMPACT:

• **25 early stage start-ups** working on recipes, packaging, business plans, etc.

• **50 member companies** making jam, sauces, baked goods, juice, frozen desserts, plus a dozen food trucks and caterers; **70% minority and/or women-owned businesses**;

• **150+ people employed**; 70% minority and/or women workers;

• **45+ graduates** - Roxy’s Grilled Cheese, Clover Food Lab, Voltage Coffee, McCrea’s candies, Seta’s Mediterranean, Quinn Popcorn, BATCH Ice Cream, ForkLift Catering; **450+ jobs created**!

• **30+ co-packing customers** - bottled sauces, refrigerated & frozen products, baked goods, value-added farm products, retail packs, food service packs, processing surplus produce.

• **$25m/year+** in combined gross revenue.
Testing out a retail pop-up concept!
Building a sustainable social enterprise

Revenue growth

Pearl opening - June 2014

Fundraising
Earned income
Total

2013
2014
2015
2016
2017
2018

$380,000
$900,000
$1,280,000
$1,625,000
$1,750,000
$1,850,000

$895,000
$730,000
$870,000
“There is nothing so powerful as an idea whose time has come.”
- Victor Hugo

Kitchen Sublet

1 employee

10 gal batches

7 cases

1x week

hourly rate

overnight shifts

Dept of Ag Cert

1 dry storage shelf

1 night cold storage

use of steam kettle
Incubator Kitchen

2 employees
40 gal batches
27.5 cases
2x week
weekly rate
station shifts
Dept of Ag Cert
2 dry storage shelves
shared cold storage shelf
use of kitchen equipment
1200 sq ft Production Facility

- 8 employees
- 214 gal batches
- 4x week
- monthly rent
- 8 hour shifts
- Dept of Ag Cert
- 3rd party food safety audit
- Dry storage area
- 8x10 walk-in
- Own equipment to make, pack product
Question & Answer Session

To ask a question **type your question** under the “Question” section on your control panel and **we will read your question to the group**. Please include your organization with your question.
Thank you for being a part of the conversation!

We hope you can join us in person at our next Gathering! May 17th-19th, 2017 in Somerville / Boston, MA.

Learn more at urbanmfg.org/events!