



Scaling Small Batch Food Production Webinar – Key Takeaways

Food manufacturers with big ideas have to jump hurdle after hurdle to turn their passion into a viable business. They have to find an affordable space to cook while learning how to jumpstart their enterprise from scratch, and then build up the necessary contacts with local vendors to bring their product to scale. In this UMA webinar hosted by the Land Use and Real Estate Development Community of Practice, members heard methods on how to tackle these issues from two successful incubator kitchens, Union Kitchen based in Washington D.C. and Commonwealth Kitchen based in Boston, and Anita's Yogurt, an up-and-coming food manufacturer whose story echoes the struggles small-batch producers often face in land-scarce urban areas.

Both the incubator kitchens got their start by partnering with locations that had historically been permitted to manufacture or sell food. Founders of Union Kitchen started selling cookies in a friend's bar during daytime hours when it normally would have been closed, and Commonwealth Kitchen took over a warehouse kitchen space from a non-profit kitchen incubator after the incubator decided to close their operations. They stressed searching out underutilized or unutilized assets, and finding a way in. "You just have to start doing it, because if you don't, you're going to get so bogged down you'll never start," said Anita Shepherd, who started Anita's Yogurt by using the kitchen of a Brooklyn soda syrup company during closing hours.

Keep in close touch with the government offices that gave your operation the greenlight... Union Kitchen cited its strong relationship with Washington, DC's Department of Health and Department of Regulatory Affairs as paramount as it pushed to overcome a local law that prohibited permits for multiple businesses operating in the same occupancy. Commonwealth Kitchen, on the other hand, said Boston's health department has voiced concerns about cross-contamination between perishables in their kitchen, highlighting the importance of keeping close ties with departments that are new to the shared kitchen model.

... but the relationships that matter most are those you build up with local vendors. Kitchen operators wouldn't have survived without a slate of third-party partners: grocers, contract manufacturers, distributors, educational programs, farms, academic anchors, public school systems and culinary training programs. Maya Atlas, membership manager of Union Kitchen, said they were able to get a locally produced frozen pizza from idea to market within four weeks because of a "close and strong community where retailers we work with trust us."

Strike a balance between providing support and letting producers grow on their own. Getting producers to scale means helping them understand the ins and outs of tax regimes, food handling, how to scale recipes, how to hire and maintain staff and more. Union Kitchen set up what founder Maya Atlas described as a sort of "video game" in their online dashboard, alleviating the need to devote additional staff or space for workshops or classes. Members



complete a series of training webinars on everything from consumer package sales to pitching buyers, and can also use the dashboard to check out bidding rounds to supply for local vendors. This positions producers to be self-reliant, so they're not depending too much on Union Kitchen staff to play a key role in their business decisions. "Pardon the crudeness here: our hope is to have people 'fail' faster," says Atlas, referring to the challenging learning curve all businesses follow before they start seeing success. "The last thing that we want to do as a service provider is do too much for our members such that when they reach a point of scale and they graduate out of our space, they know exactly what it takes to run their business."

Curation of food businesses with an equity lens can turn kitchen spaces into engines for community development, and there may be funding to leverage along the way. Providing affordable space and technical assistance can reduce the barriers to entry for underrepresented communities looking to enter the food sector. Because of its location in a Boston neighborhood struggling with poverty, Commonwealth Kitchen has been able to secure development grants from HUD, the New Market Tax Credit program, local community development corporations and the state government. They report more than \$25 million in gross revenue every year and more than 450 jobs created, all while nearly 70 percent of their members are women or minorities. Executive director and co-founder Jen Faigel says managing that mission — while also making sure the companies they work with have unique products that will fit a niche in the market — takes precedent over everything else. "The real estate is second," she says. "The community and the operator is first."