DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

FOOD INDUSTRY CONCEPTS

STARTING A FOOD PROCESSING BUSINESS IN ARKANSAS

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INTRODUCTION

There are many reasons why Arkansans may be interested in starting a food processing business. Many farmers would like to find ways to extend markets for their crops, to use surplus product, or to market crops not suitable for sales at fresh markets. Restaurant owners may have a special sauce or other product their customers have urged them to sell for home consumption. A home-maker may have a favorite family recipe that always receives rave reviews so they decide offering that food for sale would be a good way to make money. Or, an enterprising individual believes their idea for a food product is unlike anything currently on the market and would appeal to consumers.

Those interested in starting a food processing business can spend a great deal of time looking for sources of reliable information on such topics as regulations, safety, labeling, ingredients, and packaging. In addition, information is generally needed on financial aspects of starting a business and marketing products.

This publication is an introduction to these topics and is meant to be a starting point for those considering starting a new food processing business. This publication is not intended to provide all of the information needed to start a business. Instead, it will provide information which will be useful in helping you determine if starting a food processing business is really for you and, if you decide to go forward with your business, this material can help guide you to more in-depth information.

A food processing business may offer growers a way to market surplus crops or extend markets for their products.

GETTING STARTED

In the United States there are over 20,000 new food products developed and introduced to consumers each year. Only about 10 percent of these products will remain in the marketplace more than one year with less returning the investment made to introduce them to the public. To increase the possibility of success for a product it is important to do some homework before starting to develop the product. In the long run, this exercise can save time and money. Preliminary research should look at:

- Target audience: Look at how the product idea would fit into the marketplace and what group

(or groups) will be most likely to purchase the product. You will also want to consider what characteristics of the planned product will make it appeal to this target market.

- Competition: Look at how many other products already on the market would be considered competition for your proposed product. Your product may be unique so that there are no other, similar products on the market. If similar products do exist, consider what characteristics of the product you are planning would make it more attractive to consumers than products already being sold. Consider the manufacturers of the competitive product(s) and if they are big companies that can afford to compete with you by cutting prices or conducting expensive advertising campaigns.

- Pricing: Consider how the new product will be priced. The price should cover all of the costs of production and, hopefully, make at least a small profit. However, the price can't be so high that consumers feel the product is overpriced. Look at similar products in the store and consider if the proposed product can be priced competitively.

Pre-planning market research will help identify what competitive products are in the marketplace, how your product will differ from these, and what will be a competitive price to charge for your product.

- Where the product will be sold: Marketing options include outlets such as direct sales, mail order, wholesalers, specialty shops, or large retailers. Many people just starting find a booth at a local farmer's market or craft fair is the best place to begin offering products to consumers. These relatively inexpensive sales routes can provide a way of introducing the product to the public and building a following before moving into larger markets with the associated increased costs.

  Some producers prefer starting out selling through a retail store. This route requires that the producer make decisions regarding whether the product will be sold in a traditional grocery store, a natural foods or other type of specialty store, or perhaps even in a gift shop. If selling in a store seems the best approach, there may be challenges in convincing store decision makers that the product is one they want to offer their customers. Many retail outlets charge slotting fees that will add to the cost of starting the business. Some stores may charge 35-50% of the sale price as their fee for selling the product. If you decide to sell through a store that charges such a fee, it must be considered as you calculate the price you will need to charge for the product.

  Additional considerations in selecting the best marketing option are how much product would be needed to meet the demands of the various market options and whether or not the funds, labor, and facilities are available to produce these quantities.

- Product awareness: How will people find out about the product? Simply offering a product for sale at a market or store will not guarantee people will purchase it or even notice it when the product is just one of a variety of products sitting on a shelf. Think about how to make consumers aware of this new product and the costs involved with generating this awareness. Possible approaches to introducing a new product include offering samples of the product to shoppers or to people attending a fair or other event, advertising in newspapers or other publications, or coupons offering savings to those who buy the new product. A website and/or a presence on social media for the new product/company is a fairly inexpensive way of reaching a wide audience.

BUSINESS AND FINANCIAL CONSIDERATIONS

Once you decide you have a product that has market potential and that you want to commit time and money to developing, it is time to consider some financial aspects. While the information below can help identify some of the financial considerations that must be addressed as you start your food processing business, these are just starting points. It is strongly recommended that a person just starting out seeks competent professional business management and financial advice before becoming deeply invested in the company.

One of the first steps in setting up a food processing business should be to develop a comprehensive business plan. This business plan should include detailed descriptions of the following:

- Organization of the business
- Product(s) to be produced
- Market analysis and a marketing plan
- Financial plan
- Operational characteristics and management plan

Business plans can help determine the feasibility of the operation and will likely be required when seeking financing. By studying and defining the nature of your business, you will gain information that will make it easier to overcome obstacles to starting the business and achieving financial success. This information also will reduce uncertainty in decision making and thus reduce risk. It is important to remember that a business plan is a fluid document that will change and

evolve as your business grows.

One of the key questions to answer is the type of business organization: sole proprietorship, partnership, limited liability company, or corporation. Each has different characteristics with respect to ease of formation, liability, accounting and tax reporting requirements, ability to raise external capital, and succession of ownership.

Any organization which has employees, regardless of its form of organization, must meet a number of federal and state reporting and tax requirements. Additional requirements, such as workmen's compensation insurance, also exist.

Consideration of the factors below will help determine the financing needed:

- Capital intensity, that is, will your business have high fixed costs or high variable costs?
- Start-up costs
- Level of inventory
- Level of accounts receivable
- Sales forecasts

Analysis of cash flow is critical to the success of the enterprise. Projected financial statements (income statement, balance sheet and a cash flow statement) can help determine the amount and timing of additional funds that will be needed.

The next step is to consider the sources of this funding. Financing can be from internal or external sources. With internal financing, the owner(s) of the new business uses personal funds to begin the enterprise and expects sufficient cash to be generated from operations to meet cash needs. More often, however, external funding will be required. This financing can be equity financing (the use of an owner's personal funds, or the sale of partnership interests or corporate stock) or debt financing (the sale of bonds, equipment financing or commercial loans).

Most start-ups will seek to obtain external financing from a commercial bank. As stated above, a business plan is likely to be a requirement to obtain a loan from a commercial bank. At a minimum, projected financial statements of the enterprise will be required, as well as a personal financial statement of the owner(s).

It is also recommended that you prepare financial statements using optimistic, expected and worst case scenarios with attendant cost, sale price and sales volume projections. If you provide such sensitivity analyses, usually using a spreadsheet, lenders can more clearly analyze exposure to risk. Less risk exposure leads to more favorable lending terms leading to lower cost and greater chance of acquiring least cost financing.

The projected financial statements must present a clear, detailed picture of the expected operating results and cash needs of the enterprise. When asking to borrow money, remember that banks or investors require a fairly substantial equity investment (on the order of 20- 25% of total financing, increasing with increased perceived risk). The cash flow projection should indicate a comfortable cushion with respect to debt service. Earnings should be projected as some multiple of the amount required to make principal and interest payments on the debt. The financial history of the owner(s) should be clean since, in most start-up cases, the lender will require that the debt of the enterprise be a personal obligation of the owner(s) as well.

Commercial banks are often unwilling to loan money to a start-up business. In this case, it may be possible to arrange for some government or other agency to guarantee your debt. This guarantee allows the commercial bank to pass along the risk to the guarantor. A valuable resource in identifying sources of financial aid for starting a new business is the U.S. Small Business Administration.

Contact information:

U.S. Small Business Administration
sba.gov/funding-programs

There are a number of other organizations/agencies that are available to provide business and technical information for those just starting a food processing business. These include:

- **Arkansas Small Business and Technology Development Center** (ASBTDC) - is part of a national network that provides training, research and consulting services to existing and potential business owners. ASBTDC offers seminars and one-on-one consulting on topics such as operating challenges, business and financial plans, start-up assistance, and marketing strategies.

Contact information:

ASBTDC
800-862-2040
asbtdc.org

- **Startup Junkie Consulting** - a social venture focused on building entrepreneurship and innovation. Startup Junkie provides in-depth support, consulting, and assistance to both new and existing ventures in all aspects of building and growing a business.

Contact information:

Startup Junkie
Phone: 479-856-6050
startupjunkie.org

- **Your local government** - some local governments may offer incentives for new businesses since they increase local revenue and offer more employment opportunities. Such incentives may be even greater if your business will revitalize an existing facility. Rather than actual cash for getting started, these incentives may come in forms like tax cuts or other money-saving measures.

Developing the Product

If, after doing your preliminary research and determining if the

business is financially feasible, you decide you want to commit to starting the business, then it is time to begin product development.

The first step in developing the product is to prepare a detailed description of the product. This description should include:

- a statement of what the product is, including the formula (recipe),
- where you will obtain your ingredients,
- method of preparation (for example, will the ingredients be chopped, diced, blended, toasted, etc. and then how will they be combined)
- processing procedures (such as, will the combined ingredients be heated and how this heating will be done)
- and how the product will be packaged (in glass jars, plastic bags, metal cans, etc.)

As you are working on the product description it is important to assess if the final product will be safe. Many foods that can be safely prepared and served immediately are not safe when prepared, processed and held for large-scale distribution. Sometimes, safety may be achieved with changes in ingredients and/or preparation methods but, sometimes the food is just not appropriate for large-scale production.

Once it is determined a safe product can be made, the next step is to establish accurate measurements for all ingredients. This is important in order to assure uniformity every time the product is made. The best way to assure accuracy in measurements is to convert measurements in a formula/recipe made at home from volume measurements (teaspoons, tablespoons, and cups) to weights (pounds and ounces, or, if metric is preferred, milligrams and grams).

Next the formula/recipe must be converted from the amounts needed to make a small batch in a home kitchen to a commercial-size formula that can be manufactured in large batches using commercial equipment. This process usually begins by multiplying the amounts of all ingredients by a predetermined factor. For example, if the commercial batch

Test batches are usually a major part of product development since preparation techniques used in commercial production can result in products that are very different from those made in home kitchens.

will be 10 times larger than the amount made at home, start by multiplying the amounts of all ingredients in the home-size recipe by 10. However, simply multiplying ingredient amounts to get larger batches frequently does not result in a product comparable to that made with smaller recipes. In addition, activities involved in large-scale processing such as heating, agitation during incorporation of ingredients, holding at high temperatures and pumping, can affect the way ingredients behave and result in a very different product from that obtained at home. Making test batches with adjustments in the ingredient amounts and commercial preparation techniques will generally be necessary to assure the final product has the desired quality characteristics.

While developing and refining the formula seems like the most important job in getting the product ready for production, there are a number of questions related to other aspects of developing the product that need to be answered. These include:

- Ingredients:
  - What ingredients are needed and where will they be obtained? Remember even factors that may seem minor, like different brands of the same ingredient, can make major differences in the final product.
  - Are ingredients available year-round or only during certain seasons and how will this affect your production schedule?
  - Can ingredients be obtained from multiple suppliers or will it be necessary to rely on a single supplier? If there is a single supplier, think about what you will do if they fail to meet your needs.

  The Arkansas Economic Development Commission (AEDC) has a list of Arkansas Manufacturers of Food and Kindred Products. You may find that most of your needs can be met by Arkansas companies reducing time and cost for transporting supplies long distances.

  Contact information AEDC

  arkansasedc.com/data-reports/reports then click on Industry Lists Reports

- Processing facility:
  - What kind of facility will be needed?
  - How much space will be needed during production?
  - What kind of equipment will be necessary to produce the product?

  Making test batches and preliminary production will require the use of commercial-scale equipment. Most people do not want to invest in equipment and setting up a production facility until they are sure the product will sell. So, initial production is often done by contracting with a state-approved facility to manufacture a fairly large quantity of the best formulation(s). This gives producers the opportunity to adjust formulations to get the desired final product and to have product to use as they develop an initial customer base. Your county Health Unit may be able to help locate facilities near you for these initial production runs.

  To locate your County Health Unit:

  See County Government section of phone book or see listing at:: healthy.arkansas.gov/local-health-units

- Product storage and transport:
  - Are there special requirements, such as refrigeration, for storing the finished product and for transporting it to the place where it will be sold?
  - Where will the finished product be stored until it is offered for sale? Will you have storage space at the production facility or will the finished product need to be transported to an off-site storage facility?
  - What kind of transportation vehicle will be required to transport the product to storage (if necessary) and then to the marketplace? Will it need to be a large truck or will something smaller be sufficient? Will the vehicle need to keep the product cold, frozen, or under some other special conditions? Will you provide the vehicle or will you need to get it through an outside source?
- Packaging:
  - What type of material will be used to package the product? Does the product need special protection (like protection from light or air) which is not provided by some types of packaging?
  - How will the packaging affect the product? For example, some types of products may absorb off-flavors from plastic packaging.
  - How will the packaging affect consumer acceptance of the product? For example, some types of packaging may suggest qualities like fresh and natural while others clearly indicate a processed product.
  - Where will the packaging materials be purchased and can a consistent supply of this packaging be assured by the supplier?
  - Is there an alternative source of packaging?
- Distribution:
  - Will special distribution channels be needed, especially if the product will be sold refrigerated or frozen?
  - How long will the product last, i.e. what is its shelf-life? Is this shelf-life long enough to allow for shipping and distribution as well as time for selling the product?

If you are uncertain about answers to any of these questions or need a facility where you can work on scaling your recipe to commercial-size formulas, help is available. The staff of the University of Arkansas System Division of Agriculture's Arkansas Food Innovation Center (AFIC) can help in the initial stages of developing a product for the retail market. AFIC also provides a certified and inspected facility for production of test batches and for initial production runs so that clients can develop markets before investing in production facilities and equipment. A discussion of services available through AFIC as well as our contact information is provided later in this publication.

REGULATIONS AND REGULATORY AGENCIES

Processing Rules and Regulations

Because food directly affects the health and well-being of consumers, its production is very strictly regulated at both the Federal and state levels. Some of the requirements apply to all food businesses and some are specific to particular types of food, such as low-acid canned food, seafood, or juice. Having defined the characteristics of your product earlier will help in determining which rules and regulations are applicable to your specific product.

It is important to find out what state and/or federal agencies regulate your product. In general, if your market is local and the product is not being sold across state lines, then regulation is almost totally by state agencies. However, if the product will be sold in multiple states, then it will be regulated by either the Food and Drug Administration (FDA) or the U.S. Department of Agriculture (USDA)[1], depending on the product. When planning to start a food processing business, you may want to discuss your specific product and facility with the FDA District Office and the state regulatory agency. These discussions will help identify what regulations must be met.

Contact information:

FDA Division of Human and Animal Food Operations West III
4040 N. Central Expressway
Suite 300
Dallas, TX 75204
214-253-5222

All food manufactured, produced or processed in Arkansas must meet the requirements of the Arkansas Food Drug and Cosmetic Act administered and enforced by the Arkansas Department of Health (ADH). In most cases a producer/processor of a food product must obtain a permit from the ADH as a food processing plant. The Environmental Health Specialist with the local health unit can provide guidelines for obtaining this permit. Working with an Environmental Health Specialist throughout the startup process will help prevent unpleasant surprises when it is time to contact them for approval to begin production.

[1] If your food product contains more than 5 percent meat, you must have a U.S. Department of Agriculture (USDA) Food Safety and Inspection Service inspector present during processing. You must also comply with the USDA regulations whether the food product is sold in Arkansas only or out of the state; however, neither the ADH or FDA regulations apply to a USDA inspected plant. An introduction to this inspection process is contained in the factsheet *Inspection for Food Safety: The Basics*, available at https://www.fsis.usda.gov/wps/portal/fsis/topics/food-safety-education/get-answers/food-safety-fact-sheets/production-and-inspection/inspection-for-food-safety-the-basics/inspection-for-food-safety-basics

Contact information:

ADH State Office
501-661-2171 (Ask for Environmental Health Specialist, Manufactured Food)

Local Health Units
See County Government section of phone book or see listing at::
healthy.arkansas.gov/local-health-units

The ADH conducts plan reviews, pre-opening inspections, annual routine inspections, and necessary follow-up inspections for food manufacturers and distributors in the state. These inspections evaluate the condition of the product, the equipment, the manufacturing process, hygienic practices, sanitation, and labeling of the product.

Both the ADH and FDA have a code (set of rules) for food processing known as "Good Manufacturing Practices" (GMPs). Although the state and federal codes differ slightly in wording, they are essentially the same. GMPs describe the methods, equipment, facilities, and controls for producing safe and wholesome food. You should obtain a copy of the applicable regulations and have a thorough understanding of the contents. The Federal GMPs can be found in the Code of Federal Regulations Title 21 Part 110 and the Arkansas GMPs can be obtained from the Arkansas Department of Health.

Federal GMPs:

accessdata.fda.gov/scripts/cdrh/cfdocs/cfcfr/CFRSearch.cfm?CFRPart=110

Arkansas GMPs:

healthy.arkansas.gov/programs-services/topics/food-protection — scroll to bottom of page and click on Good Manufacturing Practices

The FDA Food Safety Modernization Act (FSMA), has shifted the focus of FDA from reacting to food safety problems after they occur to taking steps to prevent their occurrence. As a result, unless specifically exempted by FSMA, the owner, operator, or agent in charge of a facility will be required to:

- Evaluate the hazards that could affect food manufactured, processed, packed, or held by the facility (including hazards associated with sanitation and suppliers);
- Identify and implement preventive controls to significantly minimize or prevent the occurrence of such hazards;
- Provide assurances that food is not adulterated under section 402 or misbranded under section 403(w) of the Federal Food, Drug, and Cosmetic Act;
- Monitor the performance of those controls; and
- Routinely maintain records of this monitoring.

As your company grows, you may have to deal with other regulatory agencies. These include the Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA) and others. Make it a point to become familiar with all of the government agencies with roles in the food processing industry and your responsibilities in working with them.

Facilities

The Arkansas Department of Health (ADH) requires that all foods prepared/processed for sale (except those foods that meet the requirements of a cottage food – see discussion below) must be manufactured in an approved facility. To be approved, the facility must meet requirements such as kinds and number of sinks, location of restrooms, and materials used in flooring, walls, and counters. Home kitchens or appliances placed in garages will not be approved for commercial food production. Prior to beginning production, contact your county ADH Environmental Health Specialist to assure the production facility you plan to use is approved.

If you are planning to build a new facility or remodel an existing one, you must submit a copy of your building plans to ADH for approval. A description of the information you must submit can be obtained from your county health unit. Your Environmental Health Specialist can work with you on this process. Obtaining approval of this plan prior to starting construction will assure that you do not waste time and money on construction that will not meet ADH requirements. The ADH charges $50-$500 for this review depending on the size of the building.

In addition to ADH requirements, facilities that manufacture, process, pack, or hold food in the United States **must** register with the FDA before beginning operation.

To obtain:

FDA Facility Registration information and guidelines:
fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/FoodDefense/ucm331957.htm

Until it is determined that the business is going to be feasible, investing time and money in building a processing facility may not be the best option. During start-up, many new food processors find that using an existing facility allows them to develop their markets and assure a successful product before they invest in their own facility and equipment.

The availability of certified preparation facilities is somewhat dependent on the nature of your product. For example, if you will be working with a baked product, you might be able to use a kitchen in a restaurant or bakery during times when they are not doing their own production. Other options for processing facilities include:

Co-packers. These are companies that contract with producers to make their product in the co-packer's facility. Co-packers provide the labor, facilities, equipment, and know-how to customize, formulate, or completely assemble the best recipe and

packaging for a product. They may also provide assistance in finding the best sources for raw ingredients. Because a co-packer already has production capabilities in place, purchases raw materials and packaging in bulk, and has the appropriate equipment to reduce labor costs, entrepreneurs may find a co-packer can manufacture product cheaper than they can manufacture it themselves. However, co-packers will generally charge fees for rental of the facility, paying operating expenses, etc. that may actually result in significant increases in manufacturing costs. The range of services available from a co-packer and the associated costs will vary depending on the size and experience of the co-packer, the type of facilities, and the capacity of the plant.

The Arkansas Food Innovation Center (AFIC), located in Fayetteville, AR, is a licensed, certified food processing facility. For a very reasonable cost, AFIC will provide processing space and equipment along with laboratory instruments for quality testing. Producers working at AFIC provide their own labor, ingredients, and supplies. Because AFIC is associated with the Food Science Department of the University of Arkansas System Division of Agriculture, clients working at AFIC have access to technical assistance from departmental faculty and staff. For more information on AFIC see the discussion at the end of this paper.

Cottage Foods are a special category of foods where the requirement for an approved processing facility is not applicable. Cottage foods are defined as food items produced in a person's home that are not potentially hazardous foods. By definition, cottage foods include such things as bakery products that do not need to be kept refrigerated or hot to be safe, candy, fruit butter, jams, jellies and chocolate-covered fruit and berries that are not cut. It should be noted that jams, jellies, and fruit butter made with sugar substitutes are not cottage foods since they are considered potentially hazardous. Cottage food items can only be sold directly from the manufacturer to the consumer either from the site where the food is made, at a physical or on-line farmer's market, a county fair, or a special event. Internet sales of cottage foods that are not associated with an on-line farmer's market are not allowed.

To obtain Arkansas Cottage Foods Guide contact your local health unit. Contact info for local health units is in box at top of page.6.

Product Code

Food processors are required to develop meaningful coding to be placed on all products. This code must show the plant where the product was manufactured, the date and year the product was made, the product and batch number. The code should be placed on both the individual containers and on cases. Records of the codes should be kept and should be written on invoices to aid in tracking product distribution. This will provide a means of following the product should there be complaints or if a recall should be necessary.

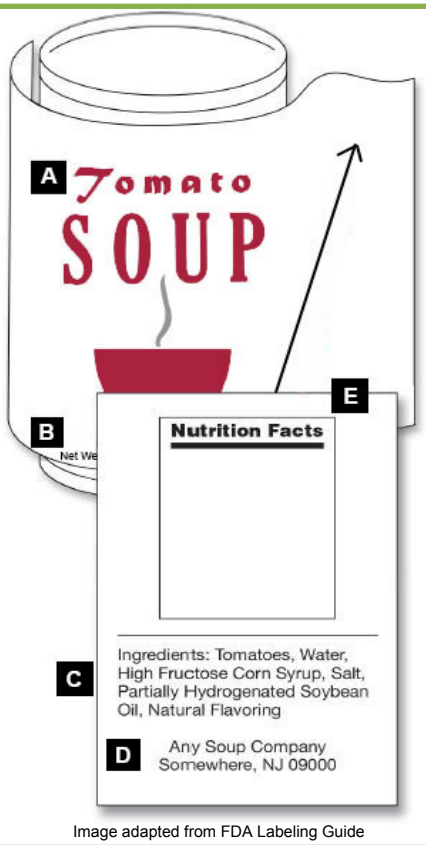

Image adapted from FDA Labeling Guide

REQUIRED LABEL INFORMATION

A. Statement of identity
B. Net weight
C. Ingredient list
D. Name and place of business of manufacturer, packer or distributor
E. Nutrition Facts label

Labeling Your Product

The label is the means by which consumers identify your product, so time and thought should be given to developing your label.

The Food and Drug Administration (FDA) is responsible for assuring that food labels, including nutrition labeling and labeling for allergens, are truthful and not misleading. In order to assist food producers with assuring their products are properly labeled, the FDA has prepared a guide for all of the statements that must appear on food labels. FDA suggests that, in order to avoid delays in label approvals and to minimize the risk of legal problems, all food processors work from this guide as they prepare the label for their product.

To obtain:

FDA Food Labeling Guide
fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/ucm2006828.htm

Universal Product Codes (UPCs)

Most traditional and online retailers and wholesalers require that product labels include a Universal Product Code (UPC). These codes are set up to be unique to each product and not only provide a means of product identification but also allow the merchant to manage inventory, assure point of sale accuracy in pricing, and automate functions such as tracking of sales and invoicing.

It is the responsibility of the food manufacturer to obtain a UPC for

each product that they produce. The code is 12 digits long with the first 6-9 digits identifying the manufacturer. The manufacturer assigns the remaining digits to make a total of 11 digits. These digits will be specific to a particular product. If a product is sold packaged in several different size containers, this portion of the UPC will be unique for each size package. The 12th digit is called a check digit and is used when scanners scan the code to assure the scan was correct. The general format of a UPC is illustrated below

General format for UPC Codes.

Manufacturer codes can be obtained from GS1 US, the US office of a global standards organization. However, the fees for working with this organization are fairly substantial so many people just starting out choose to work with companies that specialize in developing and selling these codes. An internet search for "obtain UPC barcodes" will provide more information on obtaining these codes.

THE ARKANSAS FOOD INNOVATION CENTER

The Arkansas Food Innovation Center (AFIC) was established to assist entrepreneurs and farmers prepare food products for sale in commercial markets. AFIC offers analytical and consulting services to help with the creation of food manufacturing businesses in Arkansas. AFIC clients have access to a manufacturing facility located on the University of Arkansas Agricultural Experiment Station in Fayetteville. Although located in Northwest Arkansas, AFIC's reach is statewide as we are the only facility of this type in Arkansas. Since its launch in 2013, AFIC has seen dramatically increased activity. In 2017, 74 commercial food products were manufactured at AFIC by 25 different food companies with a retail value of approximately $800K.

As part of the University of Arkansas System Division of Agriculture's Institute of Food Science and Engineering and the Department of Food Science, AFIC is uniquely positioned to provide clients with the expertise, facilities, and equipment for developing value-added food products and moving them into the marketplace. AFIC can assist new businesses with such activities as:

- Product/process development
  - Helping convert recipes to safe, commercial formulations
  - Providing a certified, inspected facility for production of trial batches and initial production runs
  - Aiding in identifying suppliers of ingredients and packaging materials
- Assistance in meeting regulatory requirements
  - Providing aid in filling out FDA registration forms
  - Supporting the development of recall and allergen control plans
  - Supplying guidance in obtaining Arkansas Department of Health License to Operate a food processing operation
  - Providing access to a process authority for the required certification for acidified and low acid products
  - Assisting with Food Safety Modernization Act (FSMA) safety plans
  - Supplying information on obtaining mandatory product liability insurance
- Labeling
  - Helping assure label designs conform to regulatory standards
  - Calculating information for nutritional label
  - Information on obtaining a UPC
- Analytical services – testing available through AFIC includes:
  - pH/acidity
  - Water activity
  - Brix/sugar levels
  - Viscosity
- Training and workshops to enhance the knowledge and skills of clients in such topics as food safety, food processing, and food regulations.

Contact information:

Arkansas Food Innovation Center (AFIC)
2650 N. Young Ave.
Fayetteville, AR 72704
479-575-3095
afic@uark.edu
afic.uark.edu

Conclusion

Starting a food processing business in Arkansas can be an exciting venture. Having a solid idea is a good start but knowledge of marketing and financial aspects of a business, the product characteristics, production procedures, and regulations are also important for success. The brief overview of these factors in this publication can serve as a starting point as you consider becoming part of the food processing industry.

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The Arkansas Food Innovation Center is part of the University of Arkansas System Division of Agriculture's Institute of Food Science and Engineering. For more information about AFIC, please visit afic.uark.edu