



November, 2018 Newsletter

The New York Small Scale Food Processors Association (NYSSFPA or Small Scale) was formed to represent and inform all small-scale food processors. The organization's workshops educate by mentoring, teaching marketing, connecting farmers and processors for value-added production, and guiding food-entrepreneurs in the use of current approved processing practices.

NYSSFPA is composed of the following officers and committees:

President: Kathrine Gregory

Treasurer: Maria Grimaldi

Secretary: Deb Krajcik

Communication Committee: Megan Harris-Pero, Esq. (Chair), Deb Krajcik, Andrew Dufresne, Kathrine Gregory, Beth Linskey

Education Committee: Maria Grimaldi (Chair), Martin Broccoli, Amanda Hewitt, Kimberly LaMendola, Robin Puskas, Stephen Hadcock

Membership Committee: Bob Bleistein (Chair), Chelle Lindahl

Newsletter edits and design by: Bhavna Punjwani, Kathrine Gregory, Megan Harris-Pero

SmallScaleNY@gmail.com

Have a question?

Need some info?

Email us and you will receive a response from one of our board members within 72 hours (remember we are all volunteers and running a business also).

Please add SmallScaleNY@gmail.com

to your contact list to receive our

Quarterly Newsletters

Bi-Weekly E-blasts with Time Sensitive Information

CHANGE YOUR ADDRESS? OR EMAIL?

Please remember to let us know so that you don't miss receiving important information.

Send us an email with the update to

SmallScaleNY@gmail.com

President's message

Dear Fellow Members of Small Scale,

It has been a hectic year. There is much that the NYSSFPA Board has wanted to do. Some was accomplished, and some will have to be on the list for 2019. But isn't that the way all our lives are? We need the goals to make sure we continue to strive-- to be better at business or an organization.

One definite accomplishment: We had a college marketing class evaluate our online message. Lots of positive feedback except for the name-it was too long, and the acronym (NYSSFPA) was also too confusing-hard to remember and harder to pronounce. The Board will have to work on that.

But what we have done, through the newsletters and the website listings, is to try to personalize the Board Members and the corporate members. Each of us has so much information to share and that is the basis of our organization the sharing of information. See the "Dear Small Scale" column; fellow member Louise Dickenson has a couple of questions which I know several of you can answer in greater detail. A colleague is always saying, "sharing is caring" and sharing does show that we care about our fellow members.

***Are you going to the NOFA-NY Annual Winter Conference in Saratoga Springs Jan 18th to 20th 2019?** The topic is Climate of Change and we are not just talking about global warming: **change** in how we dispose of waste products (food & non-food); **change** in how we purchase; and **change** in how we eat. Join us for an amazing line up of seminars; many given by fellow members. **The NYSSFPA Annual Meeting will be Friday Jan 18th from 4-5 pm.** I look forward to seeing a lot of you face-to-face at the NOFA conference, it is always a pleasure to spend time talking about 'cabbages and kings'.*

May you all have a blessed Thanksgiving

Kathrine

SPECIAL MEMBER OPPORTUNITY AT NOFA CONFERENCE

Small Scale has two booths this year at the trade show. One booth is for NYSSFPA information and the other is for selling product. They will be next to each other and since we are a long-time sponsor of the conference; you know we will be front and center. Take this opportunity to showcase your products and generate revenue. If you have never participated in a trade show this is the perfect way to try it out. Attendees at the conference do buy as evidenced by the brisk trade at the NOFA bookstore.

Booth is available in shifts: \$40 per 4-hour shift; \$20 for the last one (2.5 hour)

Shift times are: 8:30 am-12:30 pm; 1:00 pm-5:00 pm ; 5:30 pm-8:00 pm

Friday Jan 18th; Saturday Jan 19th; Sunday Jan 20th (morning shift only)

If you are interested in selling your product or services, please immediately contact: Deb Krajcik at SmallScaleNY@gmail.com to confirm or for further details. Booth is assigned on a first come-first serve basis.

You can purchase a one-day pass to the conference, so you can showcase your products as well as attending the excellent seminars presented to help you grow your business.

KEY LEARNINGS FROM OUR CORPORATE MEMBERS

Our corporate members come from all walks of life and different work backgrounds with different levels of expertise and experience. For this newsletter, each corporate member has written a short, 500-word (who's counting?) piece on something they have learned that they would like to share with fellow entrepreneurs.



Corporate Member Megan Harris-Pero, Esq. of Harris-Pero Legal Counsel, PLLC Estate, Business and Elder Law Planning

www.HPeroLegalCounsel.com

Saratoga Springs, NY

Harris-Pero Legal Counsel, PLLC is a law firm that focuses on helping people plan and prepare for life transitions.

Transition planning can include business law, estate planning, guardianship, elder law, and trust and estate administration. Social security benefits and Medicaid planning can also be a part of planning for life transitions. Food business owners may face issues regarding employment law, tax law, and food law during their transitions. Attorney Megan Harris-Pero enjoys getting to know each client and planning around their specific needs.

Why is the firm centered around planning? As a young girl, Attorney Megan Harris-Pero, experienced a family tragedy when her older sister had a car accident resulting in traumatic brain injury. This taught Megan, from a very young age, that life can change at any moment. This has stuck with her and helps her plan with clients for family emergencies and inevitable life changes.

The biggest threat facing retirees right now seems to be long term care. In upstate New York, the average monthly nursing home cost is over \$10,000 and it is estimated that over 40% of people will require a nursing home stay at some point. Living longer is causing many people to outlive their money being unable to pay for the care they need. By planning ahead clients can avoid having to spend down their entire life savings to afford such care.

Planning is complex and requires an attorney who knows the laws to consider both the big picture and the details. It is the job of the attorney to try to address the main issues in planning and communicate them to the client and the court. The documents involved in planning are meant for the court to understand so that your plan can hopefully prevent costly legal expenses in the future. The goal of planning is to help clients be able to afford a less stressful retirement, pass on their legacy, and to provide a road map for their families.

Corporate Member Jorian Wekin of The Hub on the Hill

www.thehubonthehill.org

Essex NY

Inspired by, and formed around the spirit of collaboration, our aim here at the Hub on the Hill is to promote and support local farms and food makers in the Adirondacks. As a rural food hub, we stand as a model of "community-based" scale - with the goal of encouraging all of us to eat the food grown by ourselves and our neighbors. The facility is a hub for local food and culture, but also a community space fostering creativity and shared services while cultivating our dynamic local economy. We strive to connect the missing links in the chain between the craftsman and the consumer, streamlining the production, packaging and distribution of these products. The full time co-packing and processing activities expand opportunities for farmers and small businesses to reach markets well past the growing season while providing a greater diversity of products to sell, and for consumers to have access to. Producers that utilize the Hub have access to a myriad of resources including the commercial kitchen, bulk supplies, storage, marketing, and collaborative ordering systems.

We have a growing distribution network in which we deliver produce and products from our local farms to small businesses within the Adirondacks. By combining distribution for multiple farms we are able to deliver to business that would be too small for commercial delivery operations. This effort brings healthy affordable food to towns that would lack access without it. This also provides a great opportunity for cross marketing. We represent most of our users in our onsite farm market, and also offer them cooperative distribution. Our users are also connected through our network and we facilitate partnerships so they can work together. For example we have a user who wanted bread made out of their flour, we also have a user who specializes in baking, so we set them up to work together. We have fermentation businesses who we connect with local farms and then have produce dropped off at our facility for storage, and cater events using all local products from our partner organizations. We set up signs at our events and highlight our kitchen users on social media. We try and support our partners in any way, and are constantly evolving our list of offered services to fit needs. It creates an exciting and dynamic work place, and truly makes us a hub for community. — *Written by Anna Isserow*



Corporate Member Bob Bleistein of Eastern Classic Coverage Insurance Agency

www.classiccoverage.com
Bethpage, NY



Eastern Classic Coverage provides the top notch CAKE insurance program (Culinary And Kitchen Entrepreneurs) to food and beverage manufacturers.

Why Businesses in New York State Need Worker's Compensation? - "That's easy"It's the Law!

The first thing on most insurance to-do lists is Workers Compensation because most businesses hire an employee (even if it is just for a day) to give them a hand. NYS states that an employee is someone that is given direction or task to perform. Just by having an employee, the owner(s) must have workers compensation in New York. That is the Law.

The term employee generally includes day labor, leased employees, borrowed employees, part-time employees, unpaid volunteers (including family members) and most contractors even fall under these guidelines. Usually these employees get paid wages on an hourly, daily or weekly or monthly basis. Even a 1099 Contract worker is considered an employee for workers compensation purposes since everyone needs to be covered under New York State law. Also, if an employer furnishes someone with the equipment or materials to do their work, that person is considered an employee.

Note that Workers compensation also protects the Employer... in fact, that by having workers compensation in place, they will not be able to sue the owner personally. If there is no insurance in place, a personal lawsuit (regardless of having a corporation or LLC) is allowed.

Besides Workers Compensation all Employers must purchase NYS Short Term Group Disability and Paid Family Leave by NYS law.

Going hand – in – hand along-side workers compensation these two types of insurance are usually purchased together. These policies are extensions to workers compensation to help employees in a greater time of need and for a more, extended time- period.

There are many companies that offer workers compensation businesses in New York. When the type of company is not within certain company's guidelines, the New York State Insurance Fund is next company that most people go with and rely on to provide coverage.

In order to provide correct information for the applications and guidance obtaining correct insurance coverage it is always best to have an experienced Broker or Agent.

Have more questions about Workers Compensation along with other types of insurance to protect you and your business...

All factors may be considered. No one factor alone determines whether a person will be considered an employee under the WC.

Note: A workers' compensation law judge determines whether a person is considered an employee at a hearing following a work- related accident or illness. This is not a legal document and an attorney should always be consulted before making any decisions.

Corporate Member Kathrine Gregory of Mi Kitchen es su Kitchen®

www.mikitchenessukitchen.com
New York, NY



With over 40 years in the food industry; like the Farmers Insurance Group, "...I have seen a thing or two". But the most important aspect of running a successful business is marketing. In all the years I have been running food incubators I have tasted ONLY 3 products I thought were horrible, but, I have met many poor business people with amazingly delicious products. When I advise new businesses, I ask them to concentrate on their marketing outreach.

What does that involve?

*Knowing their competition- what other products are like theirs (there is always competition, but competition can only make us better), taste; packaging; attributes of the product.

*Researching the target stores or customer- Who will buy? If your product is artisan, then don't try to sell to Pathmark or Price Choppers. Do you want to sell direct to the consumer? Then look for outlets where you can interact face-to-face. If you want to sell wholesale, then look at the stores that would carry your product at the price you need to charge.

*Do you have your pitch? Call it your 15-second elevator speech. The best words to entice the someone to buy your product.

"My definition of an entrepreneur is someone who has the ability to create an appetite in those who are not hungry." As a foodpreneur selling jam or salsa or desserts I need to make you feel that this is the best product and you just HAVE TO buy. That means carefully crafting the best words and sharing the passion/love you feel for making these products with them.

*Now we get to pricing-you must price your product accurately. There must be a tiny profit margin in each unit sold. Value =Price. If I have correctly crafted my pitch and can show the value, then people will buy my products. Starbucks taught us the value of paying \$2.50 for a cup of coffee. They described all the benefits and attributes of their coffee. So now we all visit Starbucks for our daily Cup of Joe. I share this with you, my fellow members of Small Scale Food. So many of the food products I have tasted are wonderful, crafted with passion, love, wonderful ingredients and delicious flavors. Now I ask you to take your business to the next level and work on the marketing aspects.



Corporate Members Miriam Haas and Jon Zeltsman of Down to Earth Farmers Market[®]

<http://www.downtoearthmarkets.com/>

New York, NY

Let me begin this conversation at the end. If you think direct marketing is something you want to try, first ask yourself, what do I expect to get out of it? There are a few possible answers to this question and they are not all focused on turning an immediate profit. Surely jump-starting sales and making money is the main reason many small-scale food makers choose farmers or food markets as an early sales channel. They are a ready source of sales. Where else can so many pre-qualified customers to see your product? By selling direct you are keeping all the money. You don't have to share it with a distributor or retailer. While that may be true, it important to remember that for the privilege of taking in the final sale price you are incurring significant cost; cost to get to market and cost at market. It's best to think of it as running two businesses, a production business and a retail business. Each has its own costs, each its own margin. And each has it distinct set of challenges.

Another reason for selling direct is to develop your brand. If your end goal is to sell to Whole Foods (Amazon) or other specialty retailers, people must recognize your product. If you do get into a retail program they will have many expectations of you and driving shoppers to your product is one of them.

When you think about expanding your line and developing new products, customer feedback is a must and direct marketing is a great way to get instant feedback. I'm not going to elaborate on the merits and challenges of these choices but suffice it to say your decision may be about immediate cash flow or it may be about investing in marketing your company or product development. They are all valid reasons to jump into direct marketing. I'm assuming you have run the numbers and have a good reason to believe direct retail is the right channel for you.

What I do want to talk about is how you present yourself at a market. The first thing to remember is that people often purchase products they already know. As an early stage company, it's highly unlikely your product has high recognition value. That means you must sell it. Now you are a retailer. You are a merchandiser, you are a sales person. You need to close the sale. Let's talk about that.

To begin, it's important to understand why people shop at farmers markets, food markets or pop-ups. Yes, they want to buy food. They also want an experience. True, the market provides the experience through its selection of vendors, music, activities—the ambience. You have a role to play too. An important part of shopper experience is the authenticity you, the vendor, contribute. They want to connect with you, the maker of the food because you are real, and they can say, "I know the maker of this food, she's great." I'll get back to this in a minute.

First, you need to draw a shopper to your stall. You get two, maybe three seconds to do that. People shop with their eyes. Typically, a shopper comes into a market and strolls down the middle looking at the stalls. They look left, right, the stop and engage or the walk on. That's it, three seconds, max. Your display must intrigue them, catch their eye, bring them in. They need to have an idea of what you are selling before they walk up to you. There are lots of ways to do this. Consider vertical displays, colorful, easily read signage, and a smiling sales person that is dressed to support the image you want to project.

Occasionally I sell fish for one of our vendors. I put on my striped t-shirt, red bandana, straw panama (in the fall I'd switch to a beret), a white apron tied around my waist and people really get a tickle out of it. I'm the Spanish or French fish monger, therefore I'm an expert and they want to talk with me and ask me about the fish. It works. I never sit down, never take a text on my phone. I'm on, 100% from when I set up until break-down. Remember you are a retailer and retail is theater. Either you are open or closed and if you are not paying attention to the shopper they think your shop is closed.

Fish is an easy one. They know what it is even if they don't know how to prepare it so I have easy recipes they can take home in their head. A little salt, very light dusting with cornmeal, a very hot pan with a little oil. Drop the fish in skin side down, let it cook over a couple of minutes, flip it, turn off the heat and finish with butter melted in the pan.

Now they are an expert and won't be disappointed. What I'm really saying is that you need a hook. Something you can tell people about your product that they can understand, internalize and say, "yes, I can do that, it sounds delicious and easy."

You must close the sale. Too often I watch sales people just standing there, like a cashier--no conversation, take it or leave it. If someone doesn't know the product more often they will leave it. A sale lost. The art of selling is the art of closing. It is an active process that should include, as appropriate, a bit of upsell. You want four soft shell crabs leaving me with only one? I can't sell one crab. How about I give you that one at half price? It's a pitch. You are making a personal connection. The customer is doing something for you and you for him. Everyone is happy, and you have a couple of extra dollars and no unsalable inventory.

Down to Earth Farmers Market® continued -

To quickly recap, once you make the decision to sell your product directly there is a lot of work to do to be successful. You need an attractive and compelling display. You need a sales person, not a clerk; someone who you can train, who learns your product, how to use it, what it pairs with. The company needs a persona that the sales staff conform to. It will set you apart. Train your staff to close and upsell a bit. There are a host of techniques for upselling that won't put people off – recipes incorporating multiple items on your stand, buy 2 get 10% off, a sign listing the special one or two items people should buy today. These are a few. Remember, retail is theater. It's your show. The shoppers are your audience. Make them want to come back for more.

Corporate Member Jill Osterhout of KCO Resource Management

www.kcoresource.com

Clifton Park, NY



TIME – most important thing in adding a new team member to your growing company

I have been recruiting in the Food and Beverage industry for 10 years. In that time, I have interviewed and hired for the most basic entry level roles to CEOs. So today I will share one secret of the hiring process that is never talked about, TIME. The time I am talking about is the amount of time spent with a candidate to find out what they want from the role, the company and from your opportunity.

I think we all agree that the candidate needs to meet the basic skill requirements for your open role. Once you have asked your interview questions that check your skill level boxes, it seems as though you would be done, right? Except for the most important part in the recruitment process has been over looked. Every candidate comes to the table with a skill set, but it is the motivations and drivers behind the basic skill set where a good employee versus a great employee are found.

We spend so much time in our interviews often trying to figure out if this candidate is right for us, that we forget to take the TIME to figure out if we are right for the candidate. When I hire for myself and my company, KCO Resource Management www.kcoresource.com, I always make the last step of my interview process in a casual environment, like a coffee shop or a restaurant. I conduct the last interview over a hot cup of coffee, or a casual meal. I take this time to really talk about my company. Not the hard company stats, but I walk them through the day and day out of what life looks like “on the inside”. Then I give them a chance to share with me.

I typically ask why did they choose their college major? Where do you see your career in five years? In 10 years? I ask them to elaborate on what their day and week looked like in their last role and what did they like best about their week. What responsibilities did they wish they could take off their plate? And lastly what are some company culture perks they have liked the most in past roles?

In asking questions like these, I am trying to understand how long do they want this role they are applying for? For example, if I am hiring for a role that will eventually be groomed for a management position, but the candidate I interview mentions they love learning one role and sticking with it. And later mentions that they dislike change and high-pressure situations, then this person may not be the best fit for a future managerial role, however, if I needed someone to be in a specific position for “life”, then this candidate would be perfect.

Or if they tell me that at their last job they LOVED developing new processes and procedures, and always seeking out new challenges, then I need to provide them with those opportunities once they join the company. It will be a win- win because now I know I can utilize this person to lead projects and that this person will be seeking out challenges like that to feel fulfilled in their role with my company. But doing this takes time, and it requires the employer/hiring manager to do their homework and figure out what they really need in a candidate to make certain they are going to be a good fit, not just for the role, but for your company as well. A hiring manager really needs to understand if this candidate's personality and aspirations are not just a fit for the role but for the company as well. Can this individual get all the things that they value in your job and at your company. Taking the time to understand this, will greatly increase the chances for a great hire, that STAYS at your company for a long time.

—Written by Talia Furchak

Corporate Member Pamela Greenlaw of Catskill Mountainkeeper

<http://www.catskillmountainkeeper.org/>

Livingston Manor, NY

One of Catskill Mountainkeeper's programs is the Catskill Edible Garden Project, which works with schools and community organizations to design edible gardens as living, educational and gathering spaces. This then helps Sullivan county fill its farmers markets, helping Sullivan County access higher quality and fresh food. In our next issue, our member Pamela will talk about the importance of involving children in creating edible gardens and how that helps create a stronger food ecosystem.

Corporate Member Stu McCarty of Growers Discount Labels

<http://www.growersdiscountlabels.com/>

Tunnel, NY

Label Basics. Things to know before you start.

When you decide to print a label for your product, delay a bit before taking the plunge. Careful planning is an investment that will yield dividends for any marketing venture.

A well-designed label is easy to read and eye-catching. It should create product identity, satisfy regulatory requirements, and bring your customers back for more. Even if you only need a label to legally sell your marinara sauce, why not design the label to tell the customer more about the product? A good label is your sales rep, promoting your product on the store shelf. Every product has a story, especially those that start in the family kitchen, recreating the wonderful flavors you remember savoring at your grandmother's table. The style, color and statements made on the label speak volumes about your product and the integrity of the product. If you do it right, you've made a sale.

Do a little market research by going shopping. Are there any labels that stand out from the others? Are there some that draw you in and practically beg you to pick it up? Are there some that are so hard to read that you quickly go on to the next one? Make a collection of labels that appeal to you and make special note of the layout of the more popular, well established brands. When a brand has several different flavors of the same product, how do they distinguish between them? What kinds of design elements do they use to call attention to something that is unique?

One common feature of established brands is that the logo and brand name of the product take up very little space. What is prominent is the name of the product. Unfortunately we see many labels where the logo dominates the principal display panel, leaving very little space for the product name. That vital information is sometimes too small and hard to read. Some of these logos attempt to portray everything the producer does. There is so much detail that the visual impact is lost.

A good logo is simple, dramatic, and will work regardless of reproduction size. It may be difficult to let go of art you have put so much energy into. You should trust an experienced designer's expertise and let them extract some basic elements to develop a logo that has visual appeal and maximum impact.

You and your designer should be familiar with the basic label requirements of the New York State Food Labeling Requirements document (easily found PDF with Google search). Pay attention to the location and size of the net quantity of contents declaration; the name and complete address requirement of the manufacturer, packer or distributor; and the requirements for the ingredient list.

A couple of extra features you've noticed on the major brands are bar codes (UPC) and nutrition facts. Most retailers require UPC for quick check out and inventory control. Go to barcodestalk.com and read the FAQ to get some background. Many of our customers are successfully using UPC purchased from this site.

Most of our customers are exempt from the requirement to print nutrition facts on their label by the FDA small business exemption, unless there are nutritional claims on the label such as "low fat".

In sum, if you do a little planning, hire a designer who is experienced in food labeling, and produce a good product, your customers will reward your efforts by buying and enjoying it.

Corporate Member Maryanna O'Donnell of Saratoga Gluten Free Goods

<http://www.saratogaglutentfreegoods.com/>

Schuylerville, NY

Maryanna O'Donnell of Saratoga Gluten Free Goods; The tagline is "rising above expectations" her specialty is her line of gluten free breads; gluten-free breads are harder to make than cakes and cookies. The business was started not as an attempt to jump on the gluten free bandwagon, but out of her own individual/family needs. Sold always fresh not frozen. In our next issue, Maryanna will give us some key learnings about running a gluten free bakery.



Corporate Member Paul Lausell of Finger Lakes Foie<http://www.fingerlakesfoie.com/>

Coral Gables, NY

Finger Lakes Foie sells gourmet goose products in the Finger Lakes. The geese are raised ethically and sustainably on the Lausell Farms, located in the Finger Lakes region. Finger Lakes Foie was born when Paul watched a Ted Talk that changed his perception on how to fill the niche created by changing laws. In our next issue, Paul will talk about adjusting a business model to changes in food policy.

Dear Small Scale,

We own a small country store in Schenectady county - and besides the jams, jellies and chutneys that we make and sell, we have also have been making pickles and candied peppers (to sell). We became aware during our audit today (Ag & Markets) that we're required to go through a scheduled food process audit with a recognized food processing authority for the vegetable canning that we're doing before we can legally sell these products. Do you have recommendations for having this schedule process done?

North East Center for Food Entrepreneurship www.necfe.foodscience.cornell.edu

Shannon Prozeller snp47@cornell.edu 315-787-2273.

A Schedule process costs \$90 for first recipe \$60 for additional recipes

You must mention that you process in NY State. Get the application fill it out completely. Return it with a sample of your product. Lead time is 3-6 weeks

You will probably need to take their acidified foods course for the pickles and candied peppers products. I am assuming that you are packaging these items in glass containers. (from Kathrine Gregory)

I have another question that I hope you can help me with. We are experimenting with "Fire Cider" (although we won't be selling it with that name). It's our apple cider vinegar that sits in the following for a month to seep up the flavors. When Ag & Markets last inspected us, they seemed very "taken aback" by the jug I had going in the basement and had never heard of such a thing. So, I certainly don't want to do anything wrong (again). Ingredients include various spices, citrus fruits spicy. Would this need an approved process to sell in New York State?

Thanks,

Louise Dickinson

Owner, Hungry Chicken Country Store

(518) 709-4612 DickinLo@gmail.com

The process of infusing flavors means you have to keep it sealed and protected during the time it is steeping. You should check with Ag & Markets as to approved vessels (think of what they do for wine). I would assume that the container requires a tamper evident seal between your tapping the brew for optimal flavor. I am also going to assume that you will need a scheduled process for this drink (see above). How will your package it? Glass or Plastic? Make sure the alcohol content is under 5%, anything stronger may require that you be licensed under the State Liquor Authority. (from Kathrine Gregory)

Please reach out to Louise directly and copy in copy in smallscaleNY@gmail.com so we can print it in the next newsletter.

Thanks KG (President)