

STARTING A FOOD BUSINESS

Introduction

The speciality food sector in Ireland is continuing to grow steadily, offering sustainable, economic and cultural benefits to the country. Specialty foods are defined as foods or beverages of the highest grade, style, and/or quality in their respective categories. Their specialty nature derives from a

combination of some or all of the following qualities: uniqueness; origin; processing method; design; limited supply; unusual application or use; extraordinary packaging; or, channel of distribution/sales (Bord Bia). There has also been a strong growth in farmers' markets over the past decade

offering primary producers the opportunity to diversify and become food manufacturers in their own right. When thinking of starting a new food business, there are many things to consider, including your market, products, premises, equipment, branding and promotion, as well as the legalities.

Market research

It is important to understand the potential market for your food product(s):

- who are your target customers?;
- what do they need?;
- what are they willing to pay?; and,
- who are your competitors?

Product(s)

The key steps in the development of your product(s) will include:

- selecting and sourcing ingredients;
- developing the recipe/formulation;
- determining the times/conditions for any processes that are applied (i.e., cooking, chilling, mixing);
- developing packaging;
- establishing the shelf life of the product; and,
- cost calculations and determining financial feasibility.



Selecting and sourcing traceable ingredients are key steps in developing your product.

Premises

There are many considerations when choosing a building or premises for producing food, including:

- location;
- planning permission;
- water and energy supplies;
- waste disposal;
- internal wall, floor and ceiling surfaces;
- lighting and ventilation;

- storage, services and refrigeration;
- amenities (toilets, changing rooms, etc.); and,
- pest control.

Equipment

Requirements will vary depending on the type of food you are planning to produce. When purchasing equipment, it is advisable to hire or trial in advance so that you can see how it performs in terms of your product(s).

Speak to others who have purchased the same equipment to find out their experiences. Considerations will include:

- suitability for the type and scale of manufacturing;
- cost and price competitiveness;
- ease of cleaning and maintenance;
- health and safety considerations for operators;
- adaptability for use in other manufacturing processes/products; and,
- depreciation and resale value.

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Regulatory steps in setting up a food business

REGISTRATION

You must register your food business with a competent authority before you start operating, even if from your home. The type of product you are producing will determine which of the competent authorities you must register with. It may be your local environmental health office (HSE), the Department of Agriculture, Food and the Marine, your local authority veterinary service or the Sea-Fisheries Protection Authority (SFPA).



Familiarise yourself with food hygiene rules.

FOOD HYGIENE REQUIREMENTS

It is important to familiarise yourself with the rules and general requirements in terms of hygiene relating to your premises layout, temperature control, equipment, transport, waste, personal hygiene and training.

FOOD SAFETY MANAGEMENT SYSTEM

You will have to put a set of controls, or a system, in place to ensure safe food. The Hazard Analysis and Critical Control Point (HACCP) is an example of a food safety management system.

TRACEABILITY SYSTEM

All food businesses must have an effective traceability system in place. This means that you should be able to trace food one step back to your ingredient and packaging suppliers, and if you are supplying food to other businesses, one step forward to your customers. It means that in the case of an issue arising, foods can be withdrawn or recalled rapidly and easily.

APPROVAL

If your business handles or processes foods of animal origin, you may need approval from the competent authority. Some examples of these businesses are: slaughterhouses; meat processors; meat product manufacturers (e.g., hams, salamis); egg producers; producers of dairy products (e.g., milk, cheese, yoghurt); fish processors; and, producers of processed fishery products (e.g., smoked fish, marinated fish).

Insurance

It is important when starting a food business to ensure you have adequate insurance in place to cover your assets and liabilities. The main types you should consider are:

- public liability;
- professional indemnity;
- product liability;
- employers' liability;
- fire/burglary/theft;
- motor insurance; and,
- loss of profit.

Branding and promotion

Your branding is what distinguishes your business and product(s) from your competitors. It is essentially your promise to your customers. There are a range of promotional opportunities that can be exploited at a relatively low cost, including:

- online – websites, social media, blogs, advertising;
- face to face – in-store tasting, foodie events, trade shows, farmers' markets; and,
- other – word of mouth, presence in local eateries, ambassadors, endorsements.

Types of speciality food business

Traditional foods:

- made to an authentic recipe, which can be proved to have existed without major changes for at least 30 years; and/or,
- made using a method of preparation that has existed for more than 30 years and is not substantially different to the traditional food processing method associated with that type of food.

Farmhouse foods:

- made in a single location on a farm;
- made by a micro-enterprise; and,
- the characteristic ingredient(s) used in the food is grown or produced locally.

There are some exceptions for foods that have used the terms "farmhouse" or "farm fresh" for many years and this use is well understood by consumers.

Artisan foods:

- made in limited quantities by skilled craftspeople;
- made in a micro-enterprise at a single location;
- the processing/manufacturing method must not be fully mechanised and follow a traditional method; and,
- the characteristic ingredient(s) used in the food must be grown or produced locally.

Further information

For further information please contact Ciara McDonagh, Food Industry Development Department at:
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The following resources are also helpful:
www.fsai.ie/food_businesses/starting_business.html
www.bordbia.ie/industry/start-your-business/Leo
www.localenterprise.ie/

Fact sheet produced by the Food Industry Development Department.

www.teagasc.ie/ruraldev

