



SOUTH CAROLINA FAMILY AND COMMUNITY LEADERS

Affiliated with National Volunteer Outreach Network, Country Women's Council, U.S.A., Associated Country Women of the World and in partnership with Clemson University Cooperative Extension Service
SCFCL website: <http://www.scfcl.com>

Making and Selling Food in South Carolina

Objectives: To give people who want to start a food business an overview of the process to get started.

Lesson Overview/Introduction:

In this lesson, readers will get a description of two common food production and sales models; a list of relevant resources; and comments and advice from successful entrepreneurs in SC.

Lesson:

There are two common business models for making and selling food in South Carolina:

- 1. Preparing food from a home kitchen to be sold directly to the end consumer.**
- 2. Making and selling food to be sold wholesale (to other businesses to sell, like grocery stores).**

Making food in a Home kitchen to sell directly to the end consumer

Many people find it advantageous to start small by making food in a home kitchen and selling it directly to the person who is going to consume the food. This gives producers a chance to test the market with lower startup costs. However, there is a very short list of foods that are allowed under this model. The foods must be classified as non-potentially hazardous.

The Home-Based Food Production Law (commonly called the Cottage Food Law) describes these foods. There is a very specific list of foods that meet the requirements. They are mostly baked foods and hard candies. *We like to say that if you are producing innovative foods you probably won't meet the exemption.* The most common foods sold under the HBFPL are standard cakes with sugar icing, hard candies, simple cookies, and baked bread. People often like to find "gray areas" but there really aren't any. This is a very specific list. For details: <https://hgic.clemson.edu/factsheet/south-carolinas-home-based-food-production-law-cottage-food-law/>

Additionally, there are a few foods that The South Carolina Department of Health and Environmental Control (who regulate foods that are sold directly to the end consumer) will allow to be made in a home kitchen but don't meet the HBFPL. They are:

- Jams, jellies, preserves, and dried fruits. The jams, jellies, and preserves must be made with high acid fruits, using full sugar, and pectin from a recipe that is considered an approved source. Approved sources can be found at <https://hgic.clemson.edu/factsheet/finding-reliable-recipes-for-safe-food-preservation/>
- Dry herbs, seasonings, and mixtures, repackaged from commercially prepared ingredients
- Vinegar and flavored vinegars

Anything that doesn't exactly fit into those categories would need approval from the South Carolina Department of Health and Environmental Control (SC DHEC). If you aren't sure whether the food you are planning to produce in a home kitchen is allowed you can check with SC DHEC by emailing your recipe and preparation method to foodvariances@dhec.sc.gov

Making and selling food to be sold wholesale (to other businesses to sell, like grocery stores)

Common foods that fall into this category are pickled foods, sauces (including barbecue, hot sauce, salad dressings), baked foods, cheese products, dried foods, drinks, and fermented foods. They are regulated by the South Carolina Department of Agriculture (SCDA). The general requirements are as follows:

1. Produce food in an approved kitchen (a home kitchen is not approved).
2. Have product(s) tested by a process authority (This would be Clemson University).
 - a. This is not required for foods that are made and sold refrigerated.
 - b. Foods that are going to be made and sold without refrigeration often need to be tested to confirm that they are safe without temperature control.
 - c. Most sauces will need to be tested for ph. and will be classified as "acidified", "low acid", or "acid".
 - d. Foods that are classified as acidified or low acid require the producer to attend a Better Process Control School. This is a 2-4-day class that teaches producers how to safely "can" foods that are going to be sold.
3. Have product's label reviewed by the South Carolina Department of Agriculture.
4. Apply for your Registration Verification Certificate (RVC) through the South Carolina Department of Agriculture. This certificate must be obtained before products can be sold. Submitting this application initiates the first inspection of your facility (kitchen) and process used to preserve the food.
5. Have regular inspections by SCDA.

An additional first step in starting a food production business is to determine whether the food will be prepared in a commercial kitchen or by a co-packer.

Producing in a commercial kitchen is a good choice because the hands-on approach will allow a starting food producer to gain experience and a deep understanding of the process to make and sell foods. A regional community-supported commercial kitchen may be an affordable option for producers.

Using a co-packer is another option. Co-packers are companies who are inspected and approved to prepare and package food. These companies will use your recipe to safely prepare and package your product so that it is ready for shipment to a wholesaler. This would allow the producer to focus on sales and marketing. Traditionally, using a co-packer has been an expensive option because minimum orders are often large. However, some

co-packers may accept small batch orders. There are dozens of these companies across the United States.

Resources:

The Clemson Extension Food2Market Program: Agents available to help producers during the start-up phase: <https://www.clemson.edu/extension/food/food2market/>

- South Carolina Department of Agriculture Food Safety Compliance: <https://agriculture.sc.gov/divisions/consumer-protection/food-safety-compliance/>
- SC DHEC Regulation 61-25 Retail Food Establishments: <https://scdhec.gov/sites/default/files/Library/Regulations/R.61-25.pdf>
- Business-related information can be found at SC Small Business Development Center. <https://www.scsbdc.com/>
- Making a product that contains meat: <https://www.clemson.edu/public/lph/scmpid/index.html>

Comments and Advice from successful food entrepreneurs:

Joe Raya, Bittermilk: "In school you learn a lesson and then take a test. In business you take a test and then learn a lesson." Dr. Scott Whiteside

Ann Gassenheimer, Vegetable Kingdom: The most challenging and rewarding part of being a food producer is "hanging in there."

Tradd Cotter, Mushroom Mountain: "Have some money saved away, because it will be a bumpy road. And that's the scary and exciting part about being an entrepreneur."

Celia Cerasoli, Celias of Charleston: "The most critical thing to any food business is your product. You must be proud of your product and use the best ingredients" also "you have to have a product that you really believe in."

Jane Jarahian, The Sweetery: Advice for being successful "Using quality ingredients, having a supportive family, having wonderful customers and enjoying people" also "be able to not pay yourself at first. Maybe two, three, even up to five years."

Alex and Gabby Barons, Jiminy Co. (They make food products with dehydrated crickets): "Educating people is the most important part of our business. In order to get someone to eat something that they don't know and haven't tried you really have to tell them why it's good for you, why it's sustainable, how it tastes, and then there's the eating cricket part."

All entrepreneurs: Have a business plan. Expect that it will change and grow with you. Keep it up to date. Also, Do your homework on the front end.

Lesson Summary: The first step in making and selling food in South Carolina is deciding whether to sell wholesale or direct to the end consumer. Entrepreneurs also need to determine whether they will prepare their product or use a co-packer. There are lots of resources available. Everyone who considers making and selling food should have a good understanding before getting started and have a detailed business plan.

Suggested Activities:

- Read through the product testing factsheet and then take a walk through a grocery store. Make a list of a few foods that need to be tested before selling. Participants will likely notice that foods in the center portion of the store require some type of testing.
- Go to a local farmers market and look for foods that meet the Home-Based Food Production Law. Participants may see pickled foods and sauces for sale. They may also like to ask the vendors to share their experiences with becoming registered to sell in South Carolina.
- Ask participants to identify a food they would like to make and sell in South Carolina. Then have them work through the "Who Regulates My Product" flow chart and determine which regulatory agency would regulate their product. Then have them work through the "Product Testing Flow Chart" Does their product require product testing? And if so, what type of testing?

Suggested Materials:

- Shared kitchens and co-packers: attached
- Product testing factsheet: attached
- Nutrition facts panels factsheet: attached
- South Carolina Department of Agriculture RVC package: attached
- Who Regulates my Food Product flow chart: attached?
- Product testing flow chart: attached

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