

Selling Maple Wholesale Notebook



**Western New
York Maple
Producers
Association**

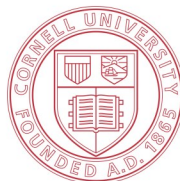
Marketing Maple Wholesale Notebook

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Guide to Marketing Channel Selection: How to Sell Maple Through Wholesale & Direct Marketing Channels



**Cooperative
Extension**
Tompkins County

Notes



Introduction to this guide This publication was originally written by Matthew LeRoux of CCE Tompkins County for fruit and vegetable growers. The guide was adapted for maple producers by Stephen Childs with the Cornell Maple Program. Much of the information applies equally to both and some of the details may still use the earlier examples.

Market channel selection is as important as production decisions for maple producers. This publication is a decision-making aid for new farmers and for those considering marketing through a new channel. The guide focuses on describing the marketing of maple; however, many of the principles apply to the marketing of other agricultural products including: vegetables, fruit, cut flowers, meats, honey, and dairy products. While generalizations are made about the channels, exact details are subject to conditions with individual farms, their location, potential customer base size, and other factors.

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This guide was produced with funding from the New York Farm Viability Institute.



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INTRODUCTION TO MARKETING CHANNELS

Marketing channels are divided into two broad groups, direct and wholesale. These terms are often used inconsistently, however, the definitions used in this guide are below.

DEFINITION:

Wholesale Marketing: *Selling a product to a buyer who is not the ultimate end user.*

Direct Marketing: Selling a product directly to the end user.

The size and scale of a maple operation, number of years of operator experience, the demographics of the surrounding region, and the preferences of the maple producer will determine which channels are best suited to the maple operation. A beginning producer may choose to start out using direct channels, such as a farmers' market; however, depending on a farm's business model, packing fewer product choices on a large scale for high volume buyers may be preferred. Understanding each channel, its benefits, requirements and limitations is an important starting point for channel selection. It is also important to know the volume of production required and average prices paid in order to assess the potential returns of a channel.

In marketing channel selection, producers are faced with a dilemma: they can move large volumes of product through wholesalers at relatively lower prices or seek higher prices in direct market channels and run the risk of unsold product. Figure 1 is an illustration of the typical characteristics of

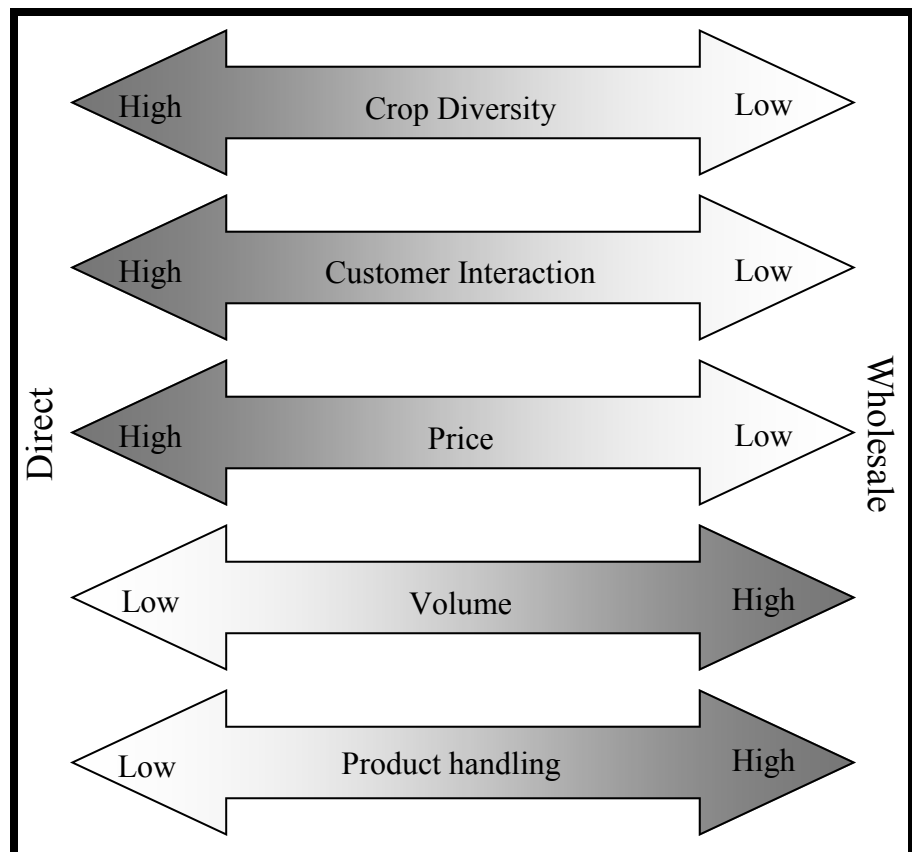


Figure 1: Generalizations about Wholesale and Direct Marketing Channels.

MARKETING CHANNEL CHARACTERISTICS

How to evaluate marketing channels

Choosing the right mix of marketing channels includes consideration of many factors, including sales volume, risk, lifestyle preference and stress aversion, labor requirements, and channel-specific costs. Below is a description of each of the factors that contribute to a channel's "performance." The importance assigned to each of these factors is unique to the individual farm. Additionally, the nature of short shelf life products, along with the risks and potential sales volumes of particular channels, requires combining different channels to maximize gross sales in order to sell everything in a timely and profitable fashion. Appendix 1 summarizes the major characteristics to consider when evaluating alternative marketing

**CHECK
IT
OUT!**

Evaluating Marketing Channel: Options for Small-Scale Fruit and Vegetable Producers: Case Study Evidence from Central NY. See the full study online:

http://aem.cornell.edu/outreach/extensionpdf/2009/Cornell_AEM_eb0903.pdf

Sales Volume and Price

With maple syrup and most value added products there is a minimum that can be made or packaged with reasonable efficiency. The volume that can be sold through a given channel has an impact on profitability as combined with that volume in your operation. The shorter the shelf life of a product, the more important it is to have a channel that can absorb the volume produced as quickly as possible. As such, a channel's risk and potential volume are closely associated. With syrup, farmers are challenged to balance the lean years and the plenty when selling through different channels. As one farmer described, the

constant challenge is finding outlets for the varying and sometimes unexpected harvest volumes, "Even though our retail markets are relatively stable year to year for volume we will definitely produce all of the syrup we can in a given season, then find a way to sell it".

Optimizing sales requires the flexibility of combining different channels capable of absorbing unpredictable volumes. In general, wholesale distributors and retailers can be counted on to buy large quantities at once. Usually there has been a readily available bulk market but this does not translate into more income. The volume that can be sold through other direct channels

Table 1: Comparison of price and volume for pints of syrup in direct and wholesale channels.

	Price/Pint paid producer	Pints sold	Total Gross
Farmers' Market	\$12.25	9	\$110.25
Grocery Store	\$8.25	45	\$371.25

such as from the home, farm stands, and farmers' markets depends on weather, location, advertising, drive-by traffic, and population size. Volume for these channels is more dependent on weather, customer numbers and location than wholesale channels.

The general tradeoff between relatively high and low-volume marketing channels is price. Table 1 gives an example of the

quantities and prices paid for pints of maple syrup in both a direct and wholesale marketing channel. Despite lower prices, high volume channels offer the benefit of increased efficiency for selling, canning and packaging labor. For example, wholesale buyers make large purchases in as little as a five-minute phone call once a relationship is established.

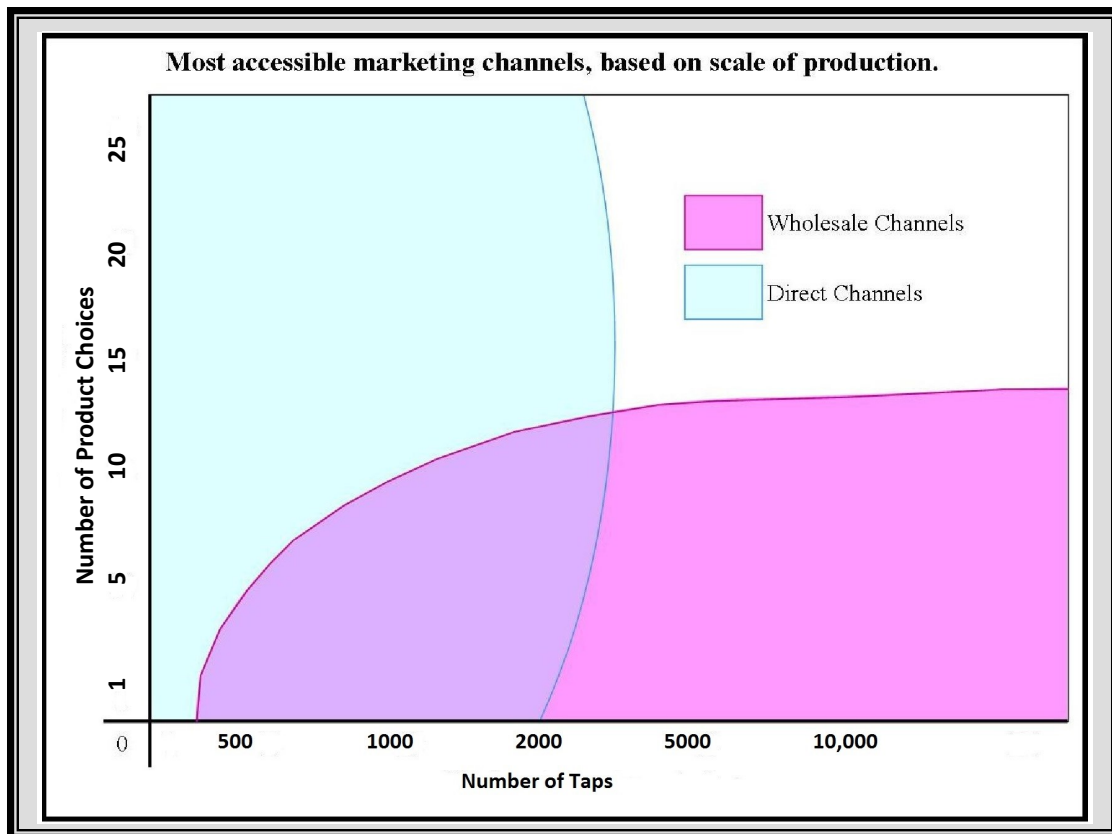


Figure 2: Direct and/or wholesale channels are the best marketing choice depending on the number of products and scale of production. (Figure is an estimation varying with each operation).

Risks and Lifestyle Preferences

In addition to regular production risks such as weather and pests, each marketing channel offers a set of risks to the producer. Marketing risk comes in many forms, including market demand for a product, price, competitors, failure to offer a diverse selection, and low volume sales. Additional risks include the possibility of low customer turnout due to weather, such as at home farmers' markets, or farm stand resulting in unsold products. Risks for any channel that

allows customers on the farm are injuries, property damage, litter, and other problems.

In a survey conducted with Central New York vegetable farms (results shown in Table 2), farmers were asked what they felt were the primary risks with each channel. The responses are categorized into seven basic challenges: low volume sales, high labor and marketing costs, the ability to provide product of consistent quantity and quality, buyer failure to fulfill commitments, competition, unpredictable customer turnout, and low price risk.

Table 2: Frequency of Mentions for Risks and Challenges associated with Marketing Channels, from survey of fourteen Central New York fruit and vegetable producers.

Risk or Challenge	CSA	U-pick	Farm Stand	Farmers' Market	Restaurant	Distributor	Grocery/Retail
Low sales volume, unsold produce	1			3	1		
High labor and other marketing costs			3	7	2	5	2
Ability to provide quality & quantity consistently	2	1		2	2	1	2
Market competition				1			1
Unpredictable customer turnout		2	2	2			
Low prices & profits						4	1
Buyer back-out, failure to fulfill commitments					1	1	1
Other	1	1	1			1	1

The two main reasons given for avoiding a particular marketing channel were lifestyle preferences and stress aversion. Wholesale channels tend to create stress because they require higher levels of preparation (e.g., , grading, packing, and delivery), product specifications, and volume commitments. Distributors were also perceived to be very demanding, where producers must accept dictated prices, deadlines, and delivery logistics. Alternatively, direct marketing channels were perceived as ones that imposed relatively low levels of stress on producers. This was particularly mentioned with the CSA (Consumer Supported Agriculture) channel where customers share the risks and may have lower expectations in terms of washing, sorting and packaging. Currently very few maple producers use a CSA approach to marketing.

As expected, questions about direct marketing channels, except for CSA, provoked concerns over customer turn out. Factors such as weather, location, and the availability of parking are all risks when direct marketing.

The most frequently cited concern regarding all marketing channels was high labor and marketing costs. Among the direct channels, “high marketing costs” was most frequently mentioned for farmers’ markets because they tend to be labor intensive and carry additional marketing costs, such as market fees, advertising, and travel. Sales to distributors were cited as having the highest marketing costs. Respondents mentioned a high level of labor needed to solve the “logistical headaches” of delivery, the high level of quality control work, and the added “time and energy for good service” when

Labor Requirements

In general, wholesale channels require more labor devoted to canning, packaging, and packing due to the high volume of product marketed while direct channels tend to require higher levels of sales time and customer interaction.

While many farmers enjoy customer interaction and feedback, some prefer not to deal with customers. Farmers’ market, farm

stand, and home sales generally require a high degree of customer interaction and are channels that reward a tidy appearance and welcoming display. Of course, farm stands and home sales can be conducted using honor system payment, but some minimal level of customer interaction is inevitable. CSAs require customer interaction during weekly pick-up times, however, CSAs also may have newsletters or email updates for

their members. Community Supported Agriculture sales, though done off-season, require customer interaction as well.

Wholesale customers require less customer interaction, except when discussing orders or making deliveries. Once a

relationship is established with a wholesale buyer, sales calls take less time. Wholesale accounts allow more anonymity; however, promotion in the form of cases of free sample product is common.

Other Channel-Specific Costs

While some operational costs are common among all marketing channels (utilities, equipment, insurance, licenses and certifications, vehicles, and buildings etc.), each channel has costs and requirements that are specific to that channel. Due to the potential for large variations in the scale of sales through each channel, and the



Illustration 1:Stainless steel barrels should be the storage of choice for maple syrup.

operator's chosen level of marketing management and staffing, it is difficult to compare the channels in regard to these costs in this guide. However, associated costs should be considered when individual

operations decide on their optimal marketing channel mix. A list of associated costs by marketing channel is summarized in Table 3.

Regardless of market channel maple syrup should be stored in stainless steel barrels until packaged into the consumer sized containers. Storing in galvanized or plastic containers often results in loss of grade and the potential for off flavors.

In a retail setting boxes used to transport syrup and other maple products can be used over and over again or even be wood or plastic which become part of the retail display. In contrast, with wholesale channels, the container is lost into the supply chain, so cardboard boxes are used, adding cost. In addition to boxes, an assortment of other marketing supplies are purchased, including quart and pint containers, plastic bags, twist ties, and rubber bands. These supplies are usually purchased in large quantities once or twice per year.

Table 3: A sample of the costs commonly associated with different marketing channels.

	Farmers' Market	CSA	U-Pick	Farm Stand	Wholesale: Restaurant, Grocery, & Distributor
Reusable plastic crates	R	X	O	R	R
Single use boxes	O	O	O	O	X
Packaging Materials	X	O	NA	R	X
Customer shopping bags	X	O	X	X	NA
Farm sign (s)	X	X	X	X	NA
Building/Tents, tables, tablecloth, chairs	X	X	X	X	X
Cash register/box, scale, calculator	X	NA	X	X	NA
Pricing signs	X	NA	X	X	NA
Market fees	X	NA	NA	NA	NA
Brochures & flyers	O	R	R	O	O
Advertising	NA	R	R	O	NA
Transport/Delivery	X	NA	NA	NA	X
Washing & sorting equipment	O	O	NA	O	R
KEY: X = Necessary R = Recommended O = Optional NA = Not applicable					

Some costs specific to farmers' markets are membership fees and daily market fees. In addition, a tent, along with tables, a scale, shopping bags, and signage with the farm's name and prices are all common supplies and equipment needed for most markets. Also, brochures, business cards and other point-of-purchase materials may be used to promote sales. A benefit of membership in a farmers'

market is that the advertising is done by the market. Individual farms can still advertise, but maintaining a high level of product quality and variety to attract customers to their booth is a must.

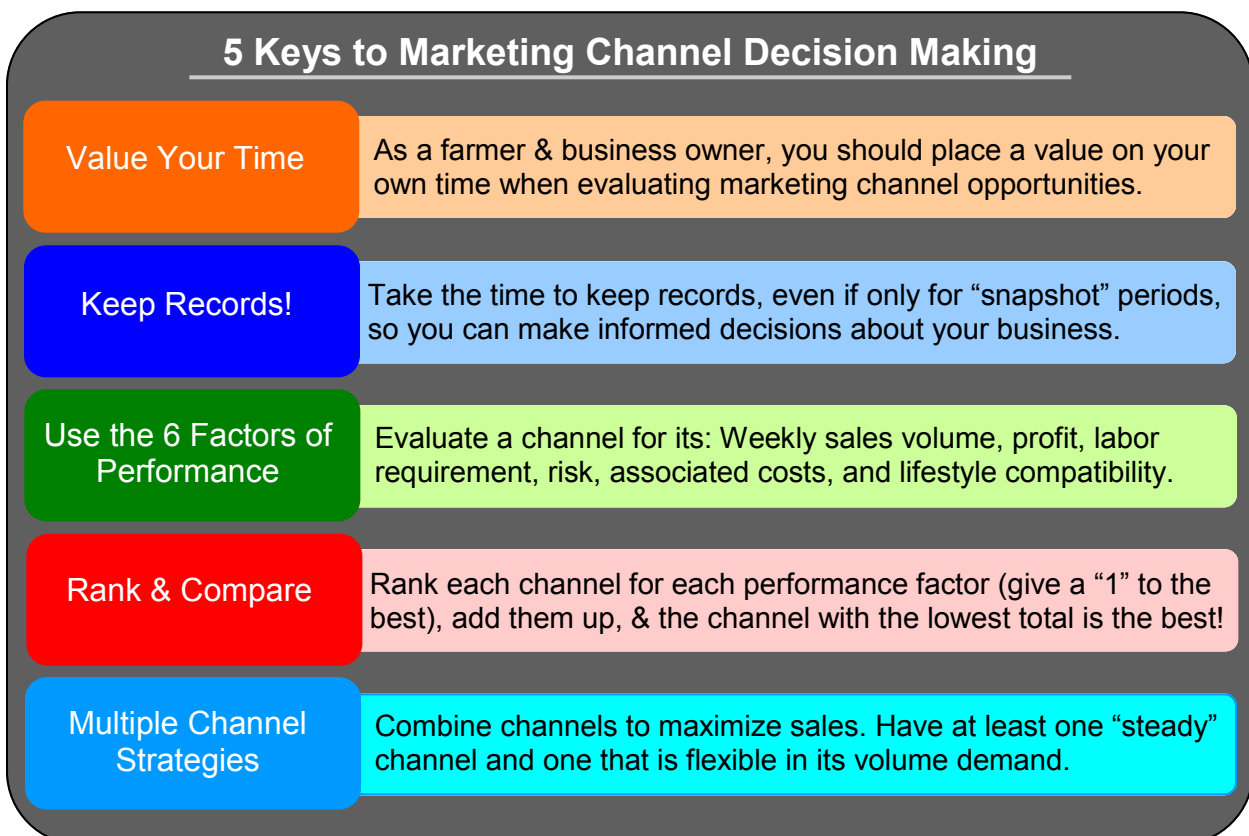
CSAs require advertising, generally through a combination of brochures, print ads, websites, and signage. Presence at a farmers' market and word of mouth are also

useful ways to sell memberships. CSAs require a high level of organization and administration to sell memberships, as well as needing a suitable location for member share pick-up.

The home and farm stand channels have varying levels of associated costs depending on the scale of the operation and the marketing skills of the operator. Some stands involve a simple, inexpensive tent and table set-up, with one roadside sign at the location and a cashbox for money. Larger operations may include specialized buildings, walk-in storage coolers, refrigerated display cases and tables, a cash register, bags, boxes

and staff. The choice of whether or not to staff a stand or from the home sales will have a large impact on the operation's profitability.

Wholesale channels involve significantly fewer associated costs. While the number of these costs may be fewer, the level of these costs can be high. Fuel costs for delivery, refrigerated equipment, training and certifications for food safety, packaging, bar coding, boxing and equipment for making value added products are all anticipated costs for the producer selling wholesale.



Marketing Channel Combination

Channel combination strategies allow a farm to maximize sales and help to reduce some risks. Figure 3 illustrates some marketing channel strategies used by real farms allowing them to diversify the sources of their income, as well as optimizing sales of unpredictable levels of harvest. Each farm has a “steady” marketing channel with a relatively consistent demand. This channel represents the farm’s first priority for the weekly production and delivery. Once that channel is satisfied, the farm’s other channels can be supplied with additional product. For

example, Farm #3’s priority is its weekly CSA distribution. Once sufficient produce is available for CSA members, the farm can market “extra” products to its farmers’ market and wholesale customers. In contrast, Farm #1 first satisfies wholesale orders, then brings surplus product to the direct channels of farm stand and farmers’ market.

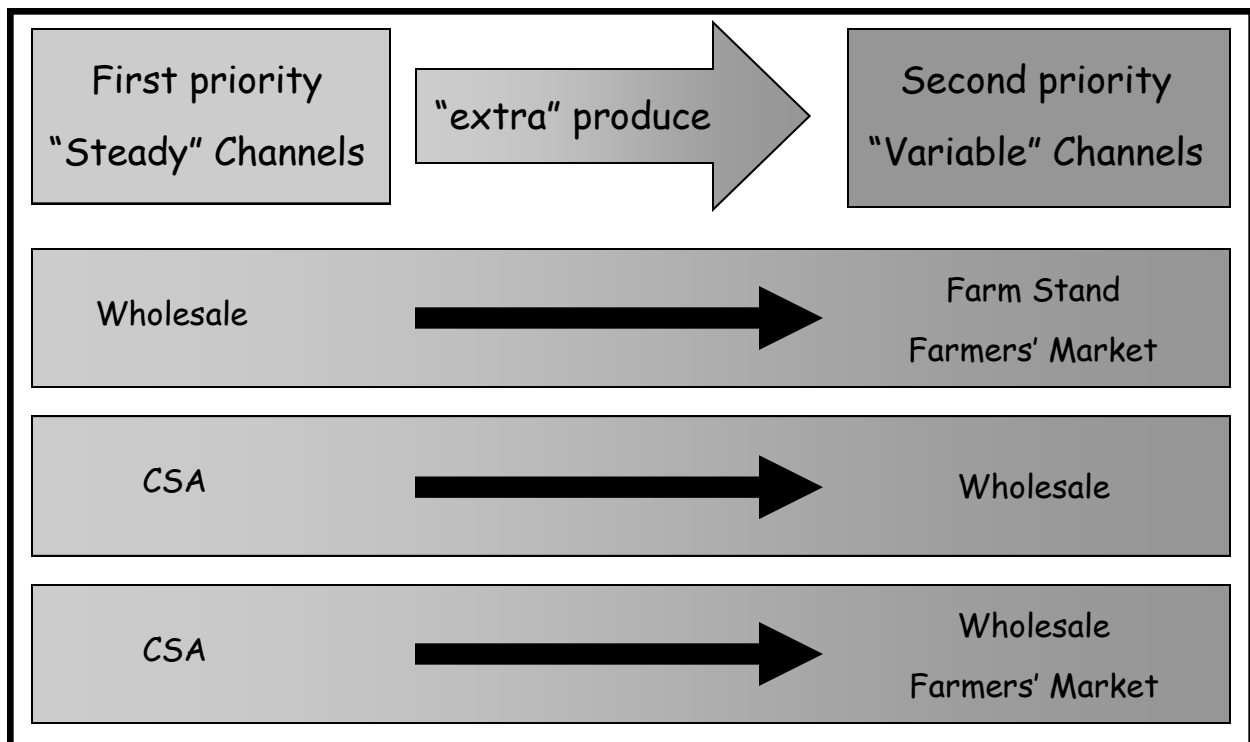


Figure 3 : Examples of marketing channel combination strategies.

Wholesale Marketing Channels

Wholesale channels typically require the ability to move large quantities of product quickly, usually, but not always, at a lower price than through direct channels. Wholesale marketing channels include selling directly to restaurants and retailers (without the use of a broker or distributor), distributors, produce auctions, processors, and brokers. Selling to processors and food brokers is not specifically addressed in this guide.

Wholesale Buyer Expectations

Farmers wishing to enter wholesale channels should take the time to learn about the expectations and requirements of typical wholesale buyers. The most common expectations and requirements are summarized below. Wholesale customers, in general, require a high and consistent level of packaging, grading and packing. Interviews

with produce distributors revealed that quality, consistency, and proper packing were the top concerns with product cleanliness, ripeness, and sorting for size also mentioned as important.

Wholesale Buyers Expect:

- ★ High Quality
- ★ Clean product
- ★ Communication
- ★ Proper packing
- ★ Bar coding
- ★ Timely delivery
- ★ Consistency

Wholesale Buyers May Require:

- GAPs certification
- Vendor permits
- Liability Insurance
- Facility Certification
- Promotional products

Communication is Critical

Wholesale buyers do not like to be surprised. They depend on quality product, complete orders, and timely delivery. When this is not possible, advance notice can make all the difference. In fact, wholesale buyers say that it is more important that a farmer clearly communicate the quality and quantity of product available than it is to maintain a

steady supply. Buyers want to be kept informed of how supply is doing, so that in the case of shortage, crop failure, or poor quality, they have time to source a replacement. Clear communication done in advance can make the difference between losing an account with a wholesale buyer, and maintaining a good working relationship.



Illustration 2: Clear communication is key when dealing with wholesale buyers. Here, the farmer drops off an order and reviews paperwork with a grocer.

Proper Sanitation, Filtering Packing & Food Safety

Wholesale buyers demand products which have been handled in accordance with sanitary practice standards, properly hot packed and filtered where appropriate. Increasingly, wholesale buyers also require some level of food safety assurance, such as the national voluntary Good Agricultural Practices (GAPs) program. GAPs is a food safety

program which includes farmer education, a written food safety plan for each farm, and third-party inspection for certification. Even in the absence of an official food safety requirement, proper hot packing and filtering is necessary for successful wholesaling to preserve crop quality and shelf life.

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**For more information on Good
Agricultural Practices visit:
www.GAPs.cornell.edu**

Food safety assurances that farmers should consider:

- ♦ Educate farm workers about proper hygiene.
- ♦ Wash and sanitize containers, tables, and packing equipment.
- ♦ Keep domestic and wild animals away from production and packing areas.

Illustration 3: .

To make high quality syrup and keep it tasting its best:

- ♦ Shade sap storage from direct sunlight
- ♦ Process sap as soon as possible
- ♦ Filter and hot pack all syrup going in barrels and consumer packaging
- ♦ Store syrup in stainless steel barrels and pack consumer containers as needed
- ♦ Store all syrup and value added products at steady cool temperatures
- ♦ Keep all value added maple products out of direct sunlight.
- ♦ Use only food grade equipment and contact surfaces

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**For more information on handling and storage, get
Produce Handling for Direct Marketing, NRAES-51.
Available at www.nraes.org**

Filtering & Grading & Regulations

Typically, wholesale customers expect maple products to meet Federal and State Grading Standards for color, clarity, density and flavor. New grading standards take effect on January 1st, 2015 in New York. Details for good grading and filtering practices are available primarily in the New York State Maple Syrup Grading Notebook available through the Cornell Maple Program and in the New York State Maple Confections Notebook also available through the Cornell Maple Program and on line at www.cornellmaple.com. The current regulation Manufacture, Distribution and Sale of Maple Syrup and Sugar Circular 947 is available at both the www.cornellmaple.com website as well as the website for New York State Agriculture and Markets at: <http://www.agriculture.ny.gov/FS/industry/04circs/maplesyrupansugarCIR947.htm>. The new standard will also be available from these websites. Maple value added products that are not 100% maple are regulated under New York State Ag and Markets. A food processing permit titled a 20-C license or Home Kitchen Certification are both described under these same websites. If your site also serves meals directly to the public then production at your facility would be subject to regulation by your county Department of Health as a food service establishment.

Packaging

Wholesale customers also expect standard packaging sizes so they can manage inventories and compare pricing. Grocery, retail, and distributor customers will most likely expect standardized packing, however, restaurant customers may have more flexibility.

An example of standardized packing requirements:

Grade A is the quality of maple syrup that is suitable for table use and: (1) has good color;(2) has good flavor and odor;(3) is practically free from defects; and (4) is practically clear.

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For specific information on industry standards for packaging maple syrup visit:

<http://www.agriculture.ny.gov/FS/industry/04circs/maplesyrupansugarCIR947.htm>.

Five important steps for successful wholesale relationships

Step 1: Make the Connection

To approach a wholesale buyer, call first and ask with whom you should speak about buying produce from your farm. Be sure that you talk with the decision maker when negotiating sales. Once you have identified with whom you should talk, give a brief description of your farm and products and ask for an appointment to meet them in person and discuss your products. When you meet with them, bring samples of your products.

Step 2: Define Expectations

Ask buyers about their expectations in terms of delivery, ordering, billing and payment, quality, size, and volume. Find out what products interest them and how much they need, what they want the produce/products to look like, and what packaging is desired. Does the buyer require: bar coding, Good Agricultural Practices (GAPs) certification, liability insurance, vendor permits, or free cases of promotional products?

Step 3: Establish Schedules

Ask buyers their preferences for how and when they would like to place orders and when they prefer deliveries. Set up an order schedule (standard day per week) and specify when orders must be placed so you have time to harvest products before delivery. Ask exactly when and where to deliver the products, and be sure to follow those instructions. Make it clear that you need a certain number of hours or days notice for special orders. Be on-time with your deliveries and supply exactly what you have promised. Reliability is a must!

Step 4: Establish Pricing and Payment

Consider establishing a consistent price throughout the season rather than fluctuating up and down. Be sure to consider your production and marketing costs (including delivery time and mileage) when formulating your prices. Make sure that prices and payment terms are clear in advance; ask about the billing and payment schedule. If the payment terms will not work for you, discuss possible changes.

Step 5: Partners in Promotion

Help your buyers communicate your local, homegrown quality to their customers. You might want to provide farm literature for them to distribute to customers. Offer to be available for in-store or restaurant appearances. Offer to educate the sales team or other staff about your products and to take them on a tour of your farm. Show them the freshness of your product and give them a sense of how things are grown or made.

Avoid Common Mistakes!

- **Don't just "show up"** when trying to win a new customer, call to make an appointment. Wholesale buyers, whether at a distributor, grocery store, or restaurant are busy and a "drop in" can ruin an otherwise promising opportunity.
- **Communicate**, if a crop falls short of expectations, tell the buyer immediately. Wholesale buyers report that giving them adequate warning is more important than falling short on an order. If they are aware of your situation in advance, they can seek alternative sources and still have a good relationship with you. If you leave them short without notice, it will likely destroy the relationship.
- **Know your potential** – make realistic projections before you make commitments.

Distributors

Distributors are wholesale buyers who specialize in managing inventory and delivery logistics. They carry a broad array of products, from produce, dairy, meats, and dry goods to paper and cleaning products. Distributors sell their products to restaurants and retail stores, as well as to institutional buyers such as schools, hospitals, and nursing homes. While sales to distributors are typically characterized by low prices, they are able to buy large volumes of product. In addition, distributors serve the role of sales and delivery, which are time consuming for farms distributing on their own. Distributors usually require that the product be delivered to their site, though some are willing to pick-up at the farm.

Distributors have high expectations for quality, proper packing, and keeping schedules. It is not unusual for distributors to refuse a load of produce if it is not in keeping with their expectations. This high level of service and risk discourages many small-scale farms from selling to distributors. In fact, surveyed farmers cited distributors as the most risky and stressful of the wholesale channels, citing the high level of labor needed, the pressure to deliver quality and

Snapshot: Distributors

Finger Lakes Organic/Regional Access (FLORA)

FLO is an organic produce growers cooperative which wholesales its goods and partners with Regional Access for distribution. Regional Access is a distributor supplying restaurants and stores with foods made in Central NY as well as specialty foods from other regions. Regional Access purchases produce directly from farms, and is easier to work with than large distributors due to their flexible catalogue and pricing. On their website, Regional posts what is available and at what price and their customers order accordingly.

quantity in a timely manner, and the risk of “buyer back-out” as sources for stress. “When dealing with distributors, you are powerless and it is stressful”, said one farmer during an interview. “Distributors call all the shots, like price and pick-up time, and require extra labor for grading, sorting and packaging.”

Despite the negative perceptions, distributors are an efficient way for a farm to move large quantities of product to many wholesale customers. Also, distributors can be an easy “shortcut” to buyers seeking local produce by eliminating barriers such as vendor permits, insurance requirements, delivery by refrigerated truck, and others. Distributors also vary in their buying policies and business procedures. Large scale,

national distribution companies may be less small-farm friendly and smaller, regional distributors may be more flexible and willing to work with local farms, however both generalizations present exceptions. Some distributors have a sales team and promote sales of your product while others do not, in which case the farm may still need to engage customers to create demand for their products. In addition, distributors are increasingly sourcing locally produced foods in response to requests and pressures from their customers.

Snapshot: Distributors

Maines Produce Express

Maines is a high volume produce distributor associated with the national Maines Paper and Food distributors. Maines is a traditional distributor, serving restaurants and retail stores with a consistent supply of produce sold at typical wholesale pricing. Maines has begun to seek an increasing amount of locally and regionally grown produce to serve customers that demand local. In order to work with regional farms, Maines offers to pick produce up at the farm, a nice touch not offered by many other high volume distributors. In addition, Maines requires GAPs certification for all farms from which it buys.

Restaurant Sales

Although wholesale marketing is typically associated with moving products on a large scale, this is not always the case. Restaurants, for example, may require small quantities of products relative to other wholesale customers.

In a 2008 study of two 18 acre Central NY produce farms selling directly to restaurants, the farms sold to an average of 14 restaurants weekly, with sales averaging \$86 per restaurant, and some sales as low as \$17/week/restaurant. However, many restaurants will pay a premium for quality

local products. At a minimum, restaurants typically pay 10% over wholesale for standard items, and higher percentages for specialty items (those that can not be readily found from other wholesale sources).

Many chefs (especially from high-end restaurants) are looking for fresh, local products to feature in their menus. Develop a personal relationship with chefs, find out what they want and grow a wide range of products for them for as long a season as possible. You need to offer clean, high quality products and reliable, timely delivery.

SPECIFIC POINTERS:

RESTAURANTS

- ◆ You will find that chefs are as busy as farmers. Call during the restaurant's "downtime" not during mealtime or preparation before meals (avoid 10 am-2 pm for lunch and 4 pm-11 pm dinner).
- ◆ Provide chefs with your farm's harvest schedule so they can plan their menus around it.
- ◆ Chefs especially appreciate when orders are delivered per their specific instructions, such as in the walk-in cooler, on a shelf in the kitchen, etc.
- ◆ Chefs often move from restaurant to restaurant, so center your business agreement on the restaurant and not only the chef.
- ◆ When you make your delivery, make it a habit to speak with the staff as well as the chef so they can talk knowledgeably to customers about your products.

Grocery Stores and Food Retailers

Increasingly, food retailers are interested in sources of locally/regionally grown food. Such retailers vary from farm stands, farm stores, natural food stores, independent grocery stores, and large grocery chains. Many farm stands and stores do not grow all that they sell and will seek additional local products to purchase. Generally,

retailers will pay wholesale prices found at regional markets.

Large chain stores each have their own unique methods and requirements for purchasing. Some purchasing decisions are made at the local store level, but most require approval from regional or central

Snapshot: Grocery & Retail

Wegmans

Wegmans is a large chain of grocery stores which has a long history of working with local producers at the individual store level. Wegmans is open to products from area farms and food producers and uses signage to draw attention to local specialties. They use a computerized buying system and use market pricing as a benchmark when buying from local vendors. Relationships are created in the off-season, discussing what items to grow. Then, during the growing season, stores rely on the electronic procurement system to order from the farm. Wegmans, like an increasing number of wholesale buyers, requires GAPs certification.

management. Try starting with someone in the produce department, and ask to whom you should speak.

Food retailers expect local prices to be in line with regional wholesale prices.

Understand buyer expectations and prices before agreeing to delivery. Retailers reserve

SPECIFIC POINTERS: GROCERY & RETAIL

- ♦ Work your way into a retailer by offering quality and/or hard to find items; then build up the order by educating buyers about what other products you can supply.
- ♦ Call before you leave the farm to make a delivery to confirm the order and to ask if there are any other products they could use.
- ♦ If you anticipate a shortage, call at least two weeks in advance to warn the store.

the right to reject a delivered load of produce based on its quality or if their supply needs have changed. One advantage of selling to food retailers is that you can move more volume to fewer buyers, reducing your marketing labor and “face time” with

customers. Also, they are regular, weekly purchasers. A disadvantage is that it can be a fickle, price-driven market. A good strategy is to spread your marketing risks by selling in more than one channel.

Snapshot: Grocery & Retail

GreenStar Cooperative Market

GreenStar is a natural foods cooperative in Ithaca, NY with two stores currently owned by its over 7400 members. GreenStar is committed to local farmers and producers and gives preferential pricing and placement to local products and assists producers with developing and marketing their products. GreenStar is committed to a local economy and ensuring that the relationships between farmers, producers, shoppers and the co-op are most beneficial to all parties. GreenStar has a long history of working with local farmers and has developed a clear and consistent contract system so both parties know what to expect in a given season. Weekly orders are discussed over the phone or by email. Payment comes from the store on a net 10 basis. GreenStar carries both organic and conventional produce. Organic foods require certification.

Institutional & Food Service Buyers

There is increasing interest in local foods among institutional buyers. The institutional food service marketplace is opening to local producers; however, farmers must be prepared to serve this market that deals in high volume and low prices. Schools are very interested in local purchasing as a way to increase fresh fruits and vegetables in the diets of children. Some schools, colleges,

nursing homes, hospitals, and prisons can purchase products from local farms. However, many are part of a buying consortium, and have a single goal: keeping costs low. Foods served at institutions are often pre-prepared or ready to serve, using few fresh ingredients.

Sales to institutions also come with institutional barriers, including regulations, requirements, and permits that dictate their

purchasing practices. Their purchases are often made via contracts that specify how the food is delivered. Many institutions must follow federal food safety (HACCP) regulations and require delivery via a refrigerated truck. Liability insurance is also required, which farmers should have regardless of their marketing strategy. It

may be easier for farmers to deliver to distributors who meet the requirements for selling to institutions. While this approach adds a middleman and reduces returns, it simplifies the marketing process for the farm. Even when working through a distributor, farms can approach institutional buyers and ask them to request their products.

Produce Auctions

A unique wholesale marketing channel is the produce auction. Produce auctions are a highly flexible wholesale channel. Unlike other wholesale channels, auctions will accept variable quantities of produce, sporadic supplies, as well as variation in quality grade and size. As with other wholesale channels, produce should be washed, sorted, and packed in a professional manner in order to command the best price. Farm stand operators are common customers at produce auctions.

Price is the riskiest aspect of selling through a produce auction. Several factors including season, volume, produce quality, buyer attendance at the auction, and the quantity of competing produce can affect prices. Aside from price risk, produce auctions can be a way for a farmer to “move” large quantities of perishable goods quickly and potentially a way to salvage the loss if a crop would otherwise go unsold.

Direct Marketing Channels

Direct marketing channels include farmers' markets, seasonal farm stands and farm stores, from home sales and Community Supported Agriculture (CSA). Some also consider "direct to restaurant or retailer" as direct marketing however, for the purposes of this document both retail and restaurant sales are considered wholesale because the farmer is not selling direct to the end user. Although direct marketing also includes internet and mail order, these channels are not addressed in this guide. Direct marketing channels generally offer higher prices than wholesale and may require a greater diversity of products, though usually in smaller quantities. Because direct marketing involves more producer-customer interaction it consumes more time and demands customer-oriented skills of the producer.

Farmers' Markets

With the growing popularity of "local" foods, the health and wellness movement, the surge of organic, natural, and eco-friendly foods, and the proliferation of "foodie" culture, farmers' markets have seen growth in popularity. Many consumers and farmers believe that farmers' markets deliver higher profits to farmers because they eliminate the

"middle man". However, farmers' markets are also labor intensive for producers and usually result in sales volumes which are lower than wholesale. The combination of high prices, low volume, and high time demands can contribute to relatively low profits.



Illustration 4: A typical set up for a sales from home display.

Farmers' markets do offer benefits beyond simple cash income. For example, they provide advertising for the farm's other channels, including from home sales, CSA, farm stand and even wholesale. In addition, they offer exposure to area chefs which may result in sales to restaurants. The opportunity to interact face to face with customers provides farmers with direct feedback on product demand, quality expectations and customer satisfaction, which helps farmers hone their marketing skills. Additionally, the opportunity to observe and interact with more experienced farmers at farmers' markets is an ideal setting for a beginning farmer to learn about marketing. Competition at a market helps farmers identify a niche that works for them.

A successful farmers' market vendor will grow crops for as long a season as possible in order to have a weekly presence at a market or several markets. A diversity of crops is generally needed, however, in a busy market, single crop producers can also be successful. For example, fruit producers may come for a few weeks only but because they are offering a high demand product for a short period of time, their sales can be significant. Additionally, a market is a good place to promote sales at their home farm.

The low barrier to entry in farmers' markets is a double-edged sword. Backyard and hobby growers can easily sell there, making the farmers' market a good channel for new farmers. On the negative, the accessibility of this channel to hobby farmers who may not need to maximize profit may drive down prices for larger scale "career" growers.

Prices vary at farmers' markets, some have a reputation for having high prices, others low prices. Visit several markets before choosing where to sell. Learn about the rules, evaluate customer traffic, products and prices being offered, estimate sales per vendor and then decide which market will meet your product and sales goals. By visiting several times during the season you can also determine if the traffic is steady throughout.

The potential for waste poses a challenge for producers marketing through the farmers' market. When preparing for a farmers' market, growers harvest crops in anticipation of a high volume sales day, but there is always the risk of low attendance (and resulting poor sales) due to bad weather or other factors. In studies, such losses have been measured or estimated to be as much as 20% or more of the produce brought to the farmers' market. Another factor that

contributes to high losses when selling through a farmers' market is the popular strategy of keeping the sales table stocked with large quantities of produce. "Stack it high and watch it fly" is a strategy based on the assumption that a display of large quantities and variety of produce is appealing

to consumers and increases sales. However, this strategy requires keeping the display well stocked, even when the market day draws near to closing. Thus, producers are apt to bring more to market than they expect to sell, adding costs from the associated production, harvest and prep labor.

Sales on the Farm

Farm Stands, Stores and Home Sales

Roadside farm stands and from home sales operations vary in their requirements depending on the scale of the operation. Each of the two channels can be managed as intensively or minimally as a producer's time and resources allow. However, to be successful and profitable, quality factors

such as freshness and variety of the product must be maintained at a high level. Each of these channels can be managed as staffed, with a sales representative tending to the customers, or unstaffed. Whether staffed or not, a well managed, well stocked home site or farm stand brings steady repeat business while a poorly managed one will not. The sales volume that can be sold through these channels varies depending on the level of



Illustration 5: A seasonal roadside farm stand.

drive-by traffic, location, price, and degree of advertising, as well as other factors such as weather and competition. Such variation in sales volume makes these channels appropriate for a wide range in the scale of production.

Potential risks and problems with these channels include factors that affect customer turn-out, theft, in the case of honor system payment, and resistance to visiting a stranger's home in the case of home sales.

For successful on-farm retailing, you must enjoy having people on the farm and in your sugarhouse. Some farmers are not comfortable with this level of invasion and the liability risks presented with "people on the farm". Building a loyal clientele is the key to successful on-farm sales and this can take many years to build. Incremental growth based on realistic customer numbers and sales projections must be built into a farm retail business plan.

Work to develop a reputation for high quality product. Word of mouth is the primary means by which consumers learn about local farms. Pay attention to what customers are looking for and start to build a product line based on what they want. Farm stands located on a busy road may attract enough customers to generate sales that warrant investing in improved facilities and

staff. When considering locations, you can research traffic counts on your road or nearby roads.

Farm Stands & Stores

Selling farm products at your farm can involve a simple self-serve stand to a full-scale farm store with multiple departments, as well as a combination of u-pick and maple sales. Farm stores bring higher overhead and staffing costs which usually means slimmer margins, however when managed well, stores also bring more customers and returns. Self-serve stands are a good way to assess the potential draw from drive-by traffic. Particularly during the maple season a roadside sugarhouse can draw a crowd.

Cooperative Promotion

Maple producers have a long history of cooperative promotion which has significantly increased retail sales in New York State. Maple Weekend started with just 12 maple producers in the mid-nineties and has grown to over 120 producers across the state on two March weekends. Group promotion includes region wide radio spots, stories in both major and small town newspapers, TV advertising and regional brochures. Probably the most effective promotion is the maple weekend website

attracting millions of hits per year. Other cooperative promotions include the maple booth at the New York State Fair and many county fairs, tractor shows, steam show and a variety of other public events. To participate in these group promotions one must be a member of the sponsoring maple associations.

Table 4: “Pro’s” and “Con’s” to consider with on-farm retailing

	Pro	Con
Farm Stand & Farm Store	<ul style="list-style-type: none"> ♦ Low pressure for crop availability, consistent supply compared to wholesale. ♦ No people in the fields. 	<ul style="list-style-type: none"> ♦ Potentially high overhead costs.
From Home Sales	<ul style="list-style-type: none"> ♦ Low overhead cost 	<ul style="list-style-type: none"> ♦ People stopping by at irregular house ♦ Liabilities of people on the farm.
	Pro	Con
Staffed	<ul style="list-style-type: none"> ♦ Delivers a high level of customer service. 	<ul style="list-style-type: none"> ♦ High labor costs.
Unstaffed	<ul style="list-style-type: none"> ♦ Low-overhead ♦ Flexible market 	<ul style="list-style-type: none"> ♦ Location is critical. ♦ Potential theft of produce and cash.

Community Supported Agriculture

Community Supported Agriculture (CSA) is a marketing channel which, like farmers' markets, has seen a tremendous surge in popularity in the past 10 years. CSA operations have experienced a dramatic rise, expanding from an estimated 60 operations in 1990 to approximately 1,100 operations by 2006 according to the USDA Agriculture Marketing Service (AMS).

CSA has been gaining momentum since its introduction to the US from Europe in the mid-1980s. The CSA concept originated in

the 1960s in Switzerland and Japan, where consumers interested in safe food and farmers seeking stable markets for their crops joined together in economic partnerships. With a CSA, consumer members purchase "shares" of the farm's produce. Shares are purchased before the growing season begins and in this way, the risk of crop failure is shared among the members and the farm owner. Once harvest begins, members pick up their share of fresh produce once a week, usually at the farm.



Illustration 6: Attractive farm store display.

There are two main types of shares used: boxed shares and free-choice shares. While definitions vary, free choice shares mean that the member can take a variety of produce in the quantities that they choose. For example,

at one CSA, members can each fill one regular grocery bag with any combination of available produce. If limited quantities of a certain crop are available, a sign will note it and members will be asked to limit what they

take. Boxed shares are pre-packed for the member and the variety and quantity of produce in the box is set by the farmer. Additionally, farms offering free choice shares ask members not to “split” shares and ask that they only take what their family can consume in one week.

CSA’s require a large variety of crops and season long production in order to supply weekly shares and satisfy customer expectations. In Central NY, most CSA’s run for 20-22 weeks. Farmer interactions are highly valued by CSA customers, so farmers will need to be customer oriented and enjoy interacting with

their members. Many CSA farms host special events or family days to strengthen the bond between farmer and consumer.

A benefit of the CSA channel is that farmers are paid at the beginning of the season. In this case, they are paid even if a crop fails. Customers share the risk and enjoy whatever products are available on a weekly basis.

CSA share prices range from as low as \$250 for a small share to as high as \$600 per season. Depending on the share options offered, farmers can plan production to meet the weekly share needs and price according to their costs of production plus margins they wish to achieve. Through good recordkeeping of yields and labor, CSA

Maple Producers in the right locations might consider a CSA style arrangement with customers, in particular where a variety of value added products are included,
Or
CSA may want to consider a cooperative agreement where maple is included in the product mix for members

farmers can assess whether the price they charge is covering their costs. Additional outlets may be needed if the CSA does not meet the income goals or absorb all of the farm’s products. A farmers’ market or restaurant sales are compatible channels for CSA farmers who seek full-time income.

The degree of marketing labor through the CSA channel is relatively low since the customers are satisfied with lower levels of packaging and washing as compared to other channels. Additional marketing expenses for a CSA include delivery, if offered, and the costs of recruiting and managing members. If farmers fail to deliver, customers can be dissatisfied and may not join the CSA the

next season. Retaining customers is a plus since it is costly to recruit new customers.

Suggested marketing materials for a CSA include a website, brochure, and possibly a newsletter. The sales time required for a CSA is highly variable, but can be relatively small compared to other direct marketing channels, especially considering the volume of produce that can be distributed during one pick-up time.

Besides time spent selling memberships, which occurs during the off-season, CSA requires the coordination of one or two days weekly for members to pick-up their shares. Farmers report that a pick-up day entails about four hours of “sales time,” spent meeting and directing members as they pick-up their shares.

IDENTIFYING YOUR MARKETING CHANNEL STRATEGY

Choosing the right channels for your farm

This guide has identified the most important factors to consider when evaluating a marketing channel and given a brief overview of wholesale and direct marketing channels. Whether you are a beginning farmer, or an experienced farmer looking to improve your farm’s marketing, this guide is intended to orient you to marketing channels and aid in decision making.

In order to select the marketing channels that best suit your farm and your personal preferences, spend some time brainstorming. Consider which channels are practical in your area, say within a 10-20 mile radius of your farm’s location. For example, if the farm is in a very rural location, from home sales may not be a good fit.

Once you identify some marketing channels that interest you, visit other farms or marketplaces of that type. How are their prices? How many customers are there and what is the volume of produce being sold? What overhead costs and amount of labor are necessary for those farms to sell there? When you visit, take notes and try to rank each marketing channel for your perceptions of how well they fit your goals in terms of: risk, lifestyle preferences, volume sold, prices and profit, labor required, and associated costs.

Marketing Channel Assessment Exercise

Using the table below, write in each marketing channel that you currently use and those that you are considering. Next, rank the channels against each other. A “1” is given to the channel that is the “best” for each criteria. In other words, a “1” for Price means the highest prices you receive, a “1” for Risk means the least risky channel. Channels that you feel are equal for a certain criteria get the same score and the next number in the rank is skipped (see Labor Required for example). In the Total Score column, simply add across for each channel. For Final Rank, give the channel with the lowest score a “1”, this is the best channel. A blank table is included in Appendix 2.

Marketing Channel	Volume	Price	Risk	Labor Required	Assoc. Costs	Total Score	Final Rank
Self-serve farm stand	1	2	2	1	2	8	1
Farmers' Market	2	1	2	3	1	9	2
Restaurant	3	2	1	1	2	9	2

Appendix 1 : Major characteristics of marketing channels to consider.

	Farmers' Market	CSA	Farm Stand	U-Pick	Distributor	Grocery	Restaurant
Risks	Low customer turn-out, price competition, leftover unsold product.	Farmer commitment up-front, customers share the risk.	Low customer turn-out.	Low customer turn-out. Weather. People on the farm.	Distributors "call the shots." Inconsistent orders, buyer back-out.	Inconsistent orders, buyer back-out.	Unpaid debts, buyer back-out. Can be slow to pay.
Prices & Profit	Prices varies. Can be highest among the channels. Labor costs relatively high.	Price is similar to wholesale, however, profit is generally higher.	Prices vary, but high profit potential. Location is a big factor in price.	Prices vary, high profit potential. Location is a big factor in price.	Price is low: Producer is a "price taker." Wholesale prices are generally low.	Price is low: Producer is a "price taker." Wholesale prices are generally low.	Prices vary. Usually higher than other wholesale prices.
Volume	Varies with market. Low to medium.	High: It is possible to "move" all the produce harvested.	Medium to low: location and competition pendant.	Medium to low: location and competition pendant.	High	High to variable.	Variable, usually small.
Level of Marketing Management Required	High: Many hours dedicated to selling. Most markets run 3-5 hours/day.	High: Must sell memberships & facilitate weekly share pick-ups. Less post-harvest work.	Variable: Ranges from unstaffed honor system to staffed stores.	Variable: Ranges from unstaffed honor system to staff supervision. Must advertise.	Low: Relatively quick & easy for volume sold. Must meet packing standards.	Low: Relatively quick & easy for volume sold. Must meet packing standards.	Variable: A high level of service for the volume sold.
Associated Costs	Market fees, equipment, travel, hired labor.	Packaging materials, advertising, brochures.	Road side signs and other advertising. Sales staff is optional.	Road side signs and other advertising. Sales staff is optional.	Washing, cooling & packing equipment for high volumes. Delivery costs.	Washing, cooling & packing equipment for high volumes. Delivery costs.	Washing, cooling & packing equipment for high volumes. Delivery costs.
Farmer Stress	Low: "Show up or don't show up."	Low to medium. Must meet customer expectations weekly.	Variable: Depending on overhead & scale.	Low	High: Distributors cited as highest stress customers.	Medium to high.	Medium to high.

Appendix 2 : Marketing Channel Assessment Exercise

A rank of “1” is given to the “best”.

Marketing Channel	Volume	Price	Risk	Labor Required	Assoc. Costs	Total Score	Final Rank

Appendix 3 : List of sources and resources:

LeRoux, M.N. 2009. Marketing channel options for small-scale diverse vegetable and fruit producers.” Unpublished thesis. Department of Applied Economics and Management, Cornell University, Ithaca, NY

Hendrisckson, J. 2005. Grower to grower: creating a livelihood on a fresh market vegetable farm. Center for Integrated Agricultural Systems. College of Agriculture and Life Sciences, University of Wisconsin– Madison. Available at website <http://www.cias.wisc.edu/wp-content/uploads/2008/07/grwr2grwr.pdf> (verified April 6 2010)

Penn State University Agricultural Marketing Website
<http://agmarketing.extension.psu.edu/Wholesale/ProdPkgGuide.html>

Rangarajan, A. et al. 2000. Food Safety Begins on the Farm: A grower’s guide. Good Agricultural Practices for Fresh Fruits and Vegetables.

Good Agricultural Practices Program website www.GAPs.cornell.edu

LeRoux, M.N. and Schmit, T.M. 2009. Choosing the right marketing channels for small-scale vegetable producers. Smart Marketing March 2009. Department of Applied Economics and Management, Cornell University, Ithaca, NY.
Available at <http://marketingpwt.aem.cornell.edu/SmartMarketing/pdfs/LeRouxSchmit-0409.pdf> (verified April 7 2010).

2006 Marketing Strategies for Farmers and Ranchers. A publication of the Sustainable Agriculture Research and Education program. Available at www.sare.org/publications/marketing.htm

Gibson, E. L. 1994. Sell what you sow! The growers guide to successful produce marketing. New World Publishing

Direct Marketing Options, a fact sheet from the Guide to Starting a Farm Business in New York, Cornell University Small Farm Program website, available at www.smallfarms.cornell.edu/pages/resources/businessmanage/guide.cfm (verified April 27, 2010).

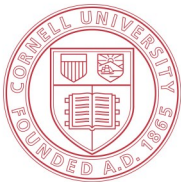
Grubinger, V. P. 1999. Sustainable vegetable production from start-up to market. Natural Resource, Agriculture, and Engineering Service (NRAES).

Thompson, J. , Kader, A., and Sylva, K. Compatibility Chart for Fruits and Vegetables in Short-term Transport or Storage. Available at <http://postharvest.ucdavis.edu/Pubs/postthermo.shtml> (verified May 19, 2010).

Guide to Farming in NYS: What Every Ag Entrepreneur Needs to Know. Cornell Small Farms Program. Available at <http://www.smallfarms.cornell.edu/pages/resources/businessmanage/guide.cfm> (verified May 19, 2010).

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Guide to Marketing Channel Selection



**Cooperative
Extension**
Tompkins County



For additional copies contact Cornell Maple Program at (607) 255-1658

- Email: slc18@cornell.edu
- <http://cornellmaple.com>

Developing Your Maple Marketing Plan for Wholesale and Bulk Sales



Stephen Childs, NYS Maple Specialist, Cornell Maple Program

NYS Farm Viability Institute, Cornell

Maple program, Western NY Maple

Producers Association

A marketing plan is an important part of a comprehensive business plan. Some of the other aspects of a business plan are listed below. This article will only deal with developing the marketing plan aspect of the overall business plan. The development of a marketing plan allows the maple producer to evaluate options to determine the most livable and profitable marketing choices for selling maple products in the wholesale and bulk market. The finished plan then allows the producer to focus efforts on what has been decided are the most livable and profitable ways of marketing for the business. For many maple producers who are most in love with maple production the question seems to be “Now that I’ve made maple syrup what is the best way for me to sell it?” The approach used in developing the marketing plan here is that of asking and evaluating some basic marketing questions. Answering the questions through evaluation, marketing research and financial analysis will lead to assembling a reasonable marketing plan.

Executive Summary	<ul style="list-style-type: none"> • Elevator Pitch or abstract that distills the idea down to a short paragraph.
Mission & Goals	<ul style="list-style-type: none"> • Mission Statement expresses the values of the operation in a few sentences. • Goals – short, intermediate and long term length SMART Goals
Background	<ul style="list-style-type: none"> • Description of the operation, location, history, how does it fit into today's market structure
Organization	<ul style="list-style-type: none"> • Is the company an LLC, Sole Proprietor or Corporation? Who are the key personnel involved, their background and responsibilities.
Operations Plan	<ul style="list-style-type: none"> • Provide a few details about how the product is made, quality upheld, show the process is sustainable.
Marketing Plan	<ul style="list-style-type: none"> • Description of exactly what product or service you are providing. • Detailed market research results, market strategy, marketing budget, SWOT
Financial Statements	<ul style="list-style-type: none"> • Income statement, balance sheet, cashflow projections • Five year projections showing growth

Breaking the Marketing Plan down into manageable questions or options

- What if I: Market directly to the consumer at the farm
- What if I: Market directly to the consumer away from the farm
- What if I: Market wholesale in retail packaging
- What if I: Market wholesale bulk

After a little brainstorming about what major marketing opportunities should be evaluated, select one and run a fairly simple evaluation using the SWOT approach. Here you make a listing of how your current business measures up as far as it's strengths, opportunities, weakness and threats in regards to the marketing area in question. List all of your business areas of strength for entering the wholesale market, then list areas of weakness. Next list areas of opportunity should you enter this area of marketing that are not currently being utilized. Finally what are the threats to your business should you begin marketing in this new way. Below is an example SWOT analysis sheet where the question posed is "Should I wholesale maple syrup and value added products". The statements given in the example may or may not be relevant to your maple enterprise. Use a copy of the blank SWOT sheet available at the end of this article to do an evaluation of a new marketing area for your farm. On studying a completed SWOT analysis a decision needs to be made. It may simply become obvious that this new marketing area does not fit you or your business. If so move on to a different question. You may study the SWOT and decide that you really need more information before you can make the decision to move forward or not. That additional information usually comes in the form of marketing

EXAMPLE SWOT Analysis Sheet

Question: Should I wholesale Maple syrup and value added products away from home?

- | | |
|--|--|
| <ul style="list-style-type: none"> • STRENGTHS • There are several grocery and specialty stores within a reasonable distance • A degree of sales knowledge in the family • Basic equipment in-place for start-up • Family members available for delivery • Farm name is already known in the area • OPPORTUNITIES • Know some insiders in out of state chains • Marketing experience from current family members. • Demand for local products is increasing • Better price than selling bulk • Healthy relative to other treats • No local product currently in area stores | <ul style="list-style-type: none"> • WEAKNESSES • Limited labor supply for processing large orders • Equipment for processing large orders is limited. • Slotting charges are pretty high • Customers may choose to buy our product where we only get wholesale value • THREATS • Other local producers already in these markets. • Bar coding is required by stores • Very nervous about selling to dept. managers • We need more experience with making quality value added products |
|--|--|

Next, answer the question! or determine the need for additional market research

Marketing Research—what is it, ???

Answers the

–Who

–What

–When

–Where

–Why

–How

of your operation, products or potential customers

Provides objective information for building your marketing plan

Marketing Research—where do I get it???

When seeking to enter wholesale markets you can conduct significant market research by yourself.

Market research for selling wholesale involves finding the location and distance to area grocery stores, specialty stores, farm markets, gas stations, schools, nursing homes, caterers, brokers, maple producers and restaurants.

This research can utilize a variety of resources such as phone book, internet, location finders (Garmin), trade associations, local ad publications, regulators listings (ag and markets regulates grocery, dept. of health regulates restaurants)

Using a search engine on the net can answer many of these questions very efficiently. For example on the example below simply typing into a search engine “grocery stores in Ithaca” I get an immediate listing of stores with map locations, phone numbers and addresses.

The screenshot shows a Google search results page for the query "grocery stores in ithaca ny". The search bar at the top shows the query and a "Search" button. Below the search bar, there are tabs for "WEB", "IMAGES", "VIDEO", "LOCAL", "SHOPPING", "BLOGS", and "MORE". The "LOCAL" tab is selected, showing a map of Ithaca, NY, with several grocery stores marked. The map is titled "grocery stores in ithaca ny" and shows a street grid with labels like "E. State St.", "W. State St.", "W. Buffalo St.", and "W. Court St.". The map is credited to "Map by NOKIA" and "© 2012 Yahoo! Inc.". To the left of the map, there is a list of grocery stores with their names, addresses, and phone numbers. The list includes "Wegmans", "Greenstar Co-Op Market", "Cartland, Priscilla", "Wegmans - Ithaca", and "Pete's Grocery". To the right of the map, there are several "Ads" (advertisements) for various services, including "Local Grocery Stores", "Walmart® Steaks", "Ithaca NY Hotel Deals", "Ithaca NY at Amazon", "Ithaca NY Hotels", and "Online Grocery Guide".

Using the net search engine can also locate restaurants along with other important contact information.

restaurants in ithaca ny Search Options

6,310,000 results

WEB IMAGES VIDEO LOCAL SHOPPING BLOGS MORE

Ad related to restaurants in ithaca ny

Restaurant.com® \$10 Deals
Official Site. 24/7 Dining Deals. \$25 Gift Certificates for only \$10.
www.Restaurant.com
More Sponsors: [restaurants in ithaca ny](#), [restaurants](#), [ithaca ny hotels](#)

Restaurants near Ithaca NY

Nearby City
All (545) [Cortland](#) (109) [Dryden](#) (19) [Candor](#) (10)
[Ithaca](#) (308) [Trumansburg](#) (32) [Groton](#) (13) [Newfield](#) (9)

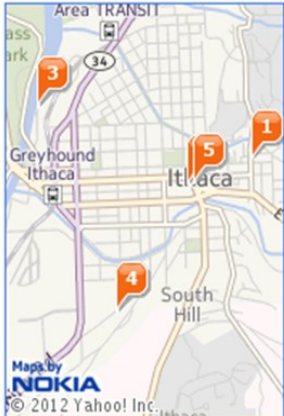
1 **Carriage House Cafe** ★★★★★ (7) - [Menu](#) | [Info](#)
carriagehousecafe.com
(607) 645-0152 - 305 Stewart Ave, Ithaca, NY

2 **Taste of Thai** ★★★★★ (6) - [Menu](#) | [Info](#)
tasteofthaiithaca.com
(607) 256-5487 - 216 E State St, Ithaca, NY

3 **Boat Yard Grill** ★★★★★ (11) - [Menu](#) | [Info](#)
boatyardgrill.com
(607) 256-2628 - 525 Taughannock Blvd, Ithaca, NY

4 **Pudgie's Famous Chicken** ★★★★★ (2) - [Menu](#) | [Info](#)
pudgiespizza.org
(607) 272-7600 - 215 Elmira Rd, Ithaca, NY

5 **Asia Cuisine** ★★★★★ (7) - [Menu](#) | [Info](#)
local.yahoo.com
(607) 256-8818 - 126 N Aurora St, Ithaca, NY



4171 More Local Results...

Ithaca Restaurant Review, a Dining Guide to Ithaca ...
The Definitive Guide to Restaurants in Ithaca, NY, 14850. Includes reviews and photos of meals served.
ithacarestaurantreview.com - [Cached](#)

Ithaca Menus: Restaurant Menus for Ithaca Restaurants in ...
Online Guide to Restaurant Menus for Ithaca, NY. Links to Restaurant menus in the

Ads

Local Restaurants
Find Listings for Top Restaurants & Dining Options in Your Area
yellowpages.com

Syracuse restaurants
Find Syracuse Restaurants Phone Numbers, Addresses & Maps.
www.LocalGuides.com

Ithaca NY Hotel Deals
Book Bargain Rates at Top Hotels in Ithaca, New York. Save Money!
www.NexTravel.com/Ithaca

Ithaca NY Hotel Deals
Book Bargain Rates at Top Hotels in Ithaca, NY Hotels. Save Some Cash!
Travel.NexTag.com/Ithaca-NY-Hotels

Ithaca Ny at Amazon
Low Prices on Ithaca Ny. Free 2-Day Shipping w/ Amazon Prime.
www.Amazon.com/Ithaca Ny

La Tourelle Hotel
La Tourelle Hotel Deals. Up To 60% Off Ithaca Hotels.
OneTime.com/La_Tourelle_Hotel

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[restaurants](#)
[ithaca ny hotels](#)

Using the search engine can give easy access to grocery and restaurant organizations and associations which will have their own listings of members and associated information. Many of these organizations have meetings and trade shows where suppliers can display and make contacts with potential buyers. Other possibilities that a maple business looking to get into the wholesale trade might want to check out is chef associations and food brokers. There are also a number of farm cooperatives that provide marketing services to farmers for selling wholesale.

Marketing Research through site visits.

- Visit potential locations and take notes.
- Whose products are on the shelf there now and what are the current prices?
- Find others who will do this research for you.
- Are current suppliers local, in state, in US or out of the US.
- What kinds of containers are used?
- Can you compete with those prices?

Marketing Research through company direct inquiries.

- Find the market conditions and requirements for markets that look the most promising.
 - Do suppliers have to be company certified or inspected, provide proof of certification or licenses?
 - Can you deliver direct or does everything go through the central warehouse?
 - Are there bar code requirements, volume requirements, tracking code requirements, use by dates required, boxing requirements, pallet requirements?

Marketing Research for your supply side.

- What will specified containers cost me?
- How many units can I process, fill, box, load and deliver in a given time?
- Is there machinery that can make me more efficient and profitable?
- What are my delivery options? Own truck, common carrier, food-link, cooperative agreement.
- Any volume of movement estimates on the part of potential supplier?

Marketing Research Data

- Can better help you determine weaknesses and strengths, opportunities and threats
- Some level of research is needed to answer most any question or option you consider.

Many maple producers start out retailing their products or using a combination of selling retail and selling bulk in the barrel. When making the switch to selling wholesale in retail containers there is usually a change in what is most important in the focus of the business in order to be successful. Below is a listing of just how different the list of priorities may be when wholesale sales is the focus vs. when retail sales is the focus.

Wholesale vs. Retail Focus

Wholesale

1. Efficiency and cost control
2. Meeting purchaser and legal requirements
3. Communication with the purchaser
4. Timeliness of orders
5. Delivery efficiency
6. Product and label attractiveness

Retail

1. Connecting with the retail consumer
2. Variety and display attractiveness
3. Friendly welcoming presentation
4. Setting price
5. Meeting quality expectations
6. Meeting legal requirements

Becoming the wholesale supplier of choice.

What does it take to become the supplier of choice or preferred supplier in the eyes of the wholesale purchaser?

- Consistent secure supply and quality
- Deliveries arrive on time in excellent condition
- Cost competitive
- Effective communication
- Fast effective resolution of adjustments and complaints
- Farm identification and look of success in packaging, delivery vehicle, delivery person
- Attractive, legal labeling
- Everything delivered in line with company standards

Wholesale Marketing Crimes

- **Dirty clothing or hat**
- **Dirty, ugly delivery vehicle**
- **Ignore calls or poor communication**
- **Don't show up when expected**
- **Billing and delivery don't match**
- **Un-professional billing**
- **Improper or illegal labels**
- **Saying no when they have a supply need**

When Marketing Research has provided information needed for reasonable decision making, return to the SWOT analysis sheet and the primary question that needs to be answered: "Should I wholesale Maple syrup and value added products". With the information available at this point does it appear that wholesale marketing will be livable for you, your family and your staff. Does it look like there may be the potential for being profitable? This may be a good time to make a clear decision that this is not the direction for the business to go and say "no". It is important to note that at this point no in-depth financial feasibility has been conducted. Financial analysis is accomplished in several small steps as the plan development proceeds so saying "no" may come following more complete analysis. On the other hand if the evaluation to this point looks livable and offers a profit potential then say yes and move to the next level of plan development.

The next step in developing the Maple Marketing Plan

Brainstorming the wholesale marketing options may have been accomplished as part of marketing research but that list needs to become primary next. List all of the ways wholesale marketing could be approached by the maple business. List both the obvious and ideas that may at first seem extreme. Next put the list in order of priority, listing first the ideas that without much further analysis seem like they could work for the business. An example of such a list is next:

Brainstorm listing of wholesale marketing opportunities.

- 1.Small grocery and specialty stores
- 2.Brokers
- 3.Restaurants
- 4.Farm Stands
- 5.Large grocery and specialty stores and chains
- 6.Other maple producers
- 7.Schools, nursing homes, caterers, gas stations

How the list is ordered will depend on many aspects of your business, such as business size, location, equipment, delivery options and so on.

SWOT or Marketing Action Options

Now go back to the SWOT analysis sheet for a second round only with new more detailed questions. If you have those basic questions answered sufficiently without going back to SWOT move to the Marketing Action Options Sheet. This sheet assists in organizing your thoughts on just what you would be willing to do and what you may be unwilling to do to begin implementation of the top priority on your Brainstorm list. Why list what you think you are unwilling to do? Evaluation and analysis often moves items from one side to the other as some of the hard realities become more obvious.

Example: The Marketing Action Options

Question: If I sell Maple syrup and value added products at small grocery stores?

I will (begin or continue):

- **I will sell at the small grocery in our village**
- **Install a filter press**
- **Buy a new clean hat**
- **Obtain billing software**
- **Detail the delivery vehicle**

I will not:

- **Get set up for using bar codes**
- **Deliver more than 30 miles away**
- **Purchase more advanced bottling equipment**

Next pick what you think is your best “I will” action option or options” and assemble a simple financial feasibility.

The choice listed on the Marketing Action Options Sheet as the first priority is the “sell maple syrup to the small local village grocery store”. In the example below, on the costs side, the cost of production per quart has been determined to be \$8. That kind of information only comes with good expense and production records for the business. The store is 20 miles from the farm, mileage is charged at 55 cents per mile. Delivery time is one hour per month and canning labor one half hour per month at \$15 per hour. Container and associated costs are estimated at \$1.50 per quart. The store pays the farm \$12 per quart and charges customers \$18 for a total of 200 quarts of syrup sold per year. Net return for the year is a loss of \$34. Below is an example of such a feasibility using the Maple Marketing Action Financial Feasibility Sheet. A blank Maple Marketing Action Financial Feasibility Sheet is available at the end of this article.

Maple Marketing Action Financial Feasibility

Action: Selling the small village grocery

Costs:

Product **\$1600** (cost of production \$8 per quart)

Delivery - **\$ 264** every month (\$.55 per mile 20 miles each way 12 times a year, takes one hour

Labor for delivery (\$15 per hr. **\$180**

Canning labor **\$90** (½ hour per month \$15 per hr.)

Containers, heat, filters \$1.50 per container **\$300**

Total costs: **\$2434**

Returns:

Annual sales at the market **\$2400**

Quarts only, at \$12 each, they sell at the store for \$18 **200** quarts per year

Total return: **\$2400**

Total **-\$34.00**

If the same store was able to sell 800 quarts per year the net income would increase to \$1196 per year.

Maple Marketing Action Financial Feasibility

Action: Selling at a small local grocery

Costs:

Product **\$6400** (cost of production \$8 per quart)

Delivery - **\$ 264** every month (\$0.55 per mile 20 miles each way 12 times a year, takes one hour

Labor for delivery (\$15 per hr. **\$180**

Canning labor **\$360** (2 hour per month \$15 per hr.)

Containers, heat, filters \$1.50 per container **\$1200**

Total costs: **\$8404**

Returns:

Annual sales at the market **\$9600**

Quarts only, at \$12 each, they sell at the store for \$18 **800** quarts per year

Total return: **\$9600**

Total **+\$1196**

On the Marketing Action Options List, the second priority is to add a filter press. In the wholesale trade having no sugar sand in the bottom of containers and very clear syrup is very important. Investing in a better filtering system so that quality standards can be better met and to avoid potential complaints may be necessary for entering this new kind of marketing for the business. And the investment would need to be paid for simply through having the access to the new market. To get a good look at if the new sales have the potential to pay for the filter press, a financial feasibility must be calculated. In this case the feasibility analysis is calculated as a break even analysis. It shows that 976 quarts of syrup would need to be sold just to cover the purchase of the filter press. Based on this analysis this one market would not likely encourage a purchase of the filter. However, having the filter would likely increase the possibility of expanding into new wholesale markets.

Maple Marketing Action Financial Feasibility - Break even analysis

Action: Selling at a small local grocery with new filter press

Costs:

Product **\$1600** (cost of production
\$8 per quart)

Delivery - **\$ 264** every month (\$.55
per mile 20 miles each way 12
times a year, takes one hour

Labor for delivery (\$15 per hr. **\$180**

Fixed costs of \$444/year / \$12 = 37

Canning labor **\$90** (½ hour per
month \$15 per hr.) = **\$.45 per quart**

Containers, heat, filters **\$1.50 per
container \$300**

Total **\$9.95 Per Quart**

How many quarts do I need to sell to
break even on a new \$2000 filter
press?

Returns:

Annual sales at the market

Quarts only, at \$12 each, they sell at
the store for \$18 200 quarts per
year

**\$12 per quart – cost of \$9.95 per
quart = \$2.05 per quart**

\$2000/\$2.05 = 976 quarts

**+37 quarts delivery cost = 1013
quarts sold to just break even or
about 6 years of current sales**

It is always a good idea with financial feasibility evaluations to follow up with the question “what happens if my projections are off” by 10% and by 20%. This evaluation is easy to calculate and can show when profit margins are very narrow.

Plans and goals are then best set based on the most favorable financial feasibility evaluations as long as it is also determined to provide a livable situation. Livable means you can live with the schedule and it fits the personalities of the people involved.

Selling wholesale in retail containers requires excellent records keeping!

- Selling maple syrup wholesale in retail containers can be one of the most difficult ways to make money in maple production. Bulk price ranges between \$25 and \$40 per gallon of table grade syrup. Expenses for containers, processing, handling, and delivery can easily run into significant costs.
- It is most important to record these cost as much as possible and estimate those that are less direct. Wholesale purchasers are good at seeking your lowest price.
- Close financial planning and management are essential

Connecting with the wholesale market.

- A personal visit with sample product
 - Many sites would want this done by appointment
- Phone calls
- Trade show
- Letter and brochure
- Invitation to your production site
- A common association – local chamber of commerce, local action group
- E-mail

Assembling the Marketing Plan.

- As you work through evaluating the options/ answering the questions you continually update the “I will” and “I will not” lists on your Marketing Actions Options Sheet listing the “I will” list in order of priority.
- Now start with #1, on a new sheet write Priority #1 and state that priority and write a few lines describing how that priority will be carried out and present the financial evaluation that you conducted.
- If that priority has subcategories list and present the actions that will be taken to make them happen along with the financial evaluations and goals for the enterprise. Assign responsibilities.

Example Marketing Plan

- Priority #1, Mighty Tree Maple will market maple products at **** grocery store starting in May. Canning and delivery will be accomplished by George using the farm pickup truck. The current filtering and canning system will be used to service this market. This market expects delivery on the first Monday of each month and billing at the time of delivery. Payment will be made by the end of the month.

Marketing Plan Props

- Idea, brainstorm, questions or options list
- SWOT Analysis Sheet
- Marketing Actions Options
- Financial Feasibility
- Written Marketing Plan

Developing a Maple Marketing Plan for Bulk Sales

All of the information provided previously for developing a marketing plan for wholesale sales in retail containers also applies to this section on bulk marketing. Only the questions posed change. In this section the evaluation is how bulk sales fits into the maple business. The question posed here is “should I wholesale bulk maple syrup or value added products. See the SWOT example below:

EXAMPLE SWOT Analysis Sheet

Question: Should I wholesale bulk Maple syrup or value added products? ____

- **STRENGTHS**

- Several maple producers near me have developed great markets for maple
- I don't have time for retail sales
- Basic equipment in-place for start-up
- Family members available for delivery
- I don't have the personality for retail

- **OPPORTUNITIES**

- A number of potential buyers of bulk syrup
- Bulk prices are ok
- Several potential food processors in the area
- I can concentrate on production efficiency

- **WEAKNESSES**

- Price may not be high enough
- Distance to purchaser
- Not a very efficient production system

- **THREATS**

- Other local producers already in these markets.
- Poor production years possible
- Very nervous about selling to big buyers
- Cost and retrieve ability of stainless barrels

As the strengths, weaknesses, opportunities and threats are evaluated, answer the question! or determine the need for additional market research.

Marketing Research—what is it, ???

Answers the

–Who

–What

–When

–Where

–Why

–How -of your operation, products or potential customers

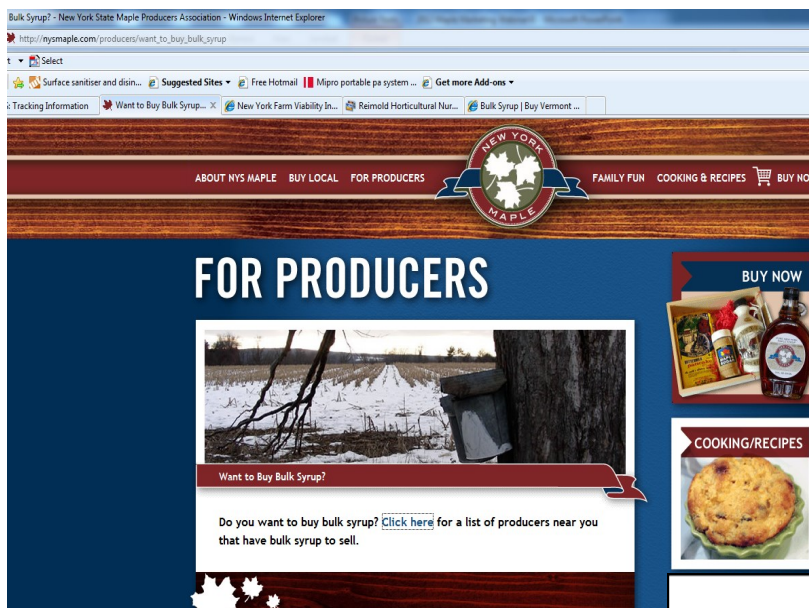
Provides objective information for building your marketing plan

Marketing Research—where do I get it???

When seeking to enter wholesale bulk markets you can conduct significant market research by yourself

- Location and distance to packers, food processors, maple producers, restaurants, schools, nursing homes, caterers, and brokers can be obtained from a variety of sources.
- Maple association meetings and trade shows, phone book, internet, trade associations, trade publications, regulators listings (ag and markets regulates grocery, dept. of health regulates restaurants)

For example several of the state maple associations maintain listings of producers who have bulk syrup available or who are looking to purchase bulk syrup. The New York State Maple Producers Association does so through the nysmaple.com webpage as seen below:



Other states have similar systems

The search for restaurants, trade associations, chefs, brokers and so on can be accomplished for bulk sales as described earlier in this publication using web search engines

Folks with Bulk Syrup to Sell as of October 5, 2012

Chuck Arnold

Arnold's Maple Products
Member

(607) 437-8473 Mobile
(607) 965-8485 Home
chuckarnold55@gmail.com
1076 County Highway 19
Burlington Flats, NY 13315-3602

Dwayne Hill

Shaver-Hill Maple Farm
Member

(607) 437-6942 Mobile
(607) 652-6792 Home
dwayneandmarylee@yahoo.com
310 Shaver Road
Harpersfield, NY 13786-8365

Marketing Research Questions:

- What are the current prices?
- Who are the buyers?
- Where are the buyers?
- Who may be potential buyers?
- What kinds of containers are used?
- What are pick up and delivery options?
- Find the market conditions and requirements for markets that look the most promising.
- Do suppliers have to be company certified or inspected, provide proof of certification or licenses?
- Can you deliver direct or does everything go through the central warehouse?
- Are there volume requirements, tracking code requirements, barrel requirements, pallet requirements, grading requirements?

Marketing Research on MY Supply Side

- What will specified containers or barrels cost me?
- Can I sell at that price and make a profit?
- Is there equipment that can make me more efficient and profitable?
- How does selling bulk compare labor and cost wise with selling retail or wholesale in retail containers?

What can you buy and sell bulk now?

- Sap
- Syrup
- Granulated maple sugar
- Maple cotton mix
- Molded maple sugar candy
- Maple suckers and hard candy

Having proper supplier orientation

Maple producer who want to be successful in the bulk markets need to develop proper supplier orientation. The items that become the focus of a supplier oriented maple producer is as follows:

- Consistent secure supply and quality
- Deliveries arrive on time in excellent condition
- Cost competitive
- Effective communication
- Trace ability – source and date id.
- Fast effective resolution of adjustments and complaints
- Right container
- Right classification (light, med, dark)
- Right density, size or weight
- Right identification
- Right billing

Bulk buyers don't like!

- Price shoppers
 - Selling a different place each year
- Hold outs
 - Selling at different time each year
- Quality careless
 - Syrup that loses quality due to producer carelessness

Bulk selling crimes

- In appropriate container
- Off quality – density, classification, flavor
- Ignore calls or poor communication
- Don't show up when expected
- Billing and delivery don't match

- Un-professional billing
- Improper identification
- Saying no when they have a supply need

The next step in developing the Maple Marketing Plan

Brain storming the bulk marketing options may have been accomplished as part of marketing research but that list needs to be primary next. List all of the ways bulk marketing could be approached by the maple business. List both the obvious and ideas that may at first seem extreme. Next put the list in order of priority, listing first the ideas that without much further analysis seem like they could work for the business. An example of such a list is next:

- 1.Local maple producer
- 2.Distant maple producer
- 3.Out of state packer
- 4.Food processor
- 5.Restaurants
- 6.Broker
- 7.Schools, nursing homes, caterers
- 8.Value added products

SWOT or Marketing Action Options

Now you can go back to the SWOT analysis sheet for a second round only with new more detailed questions. If you have those basic questions answered sufficiently without going back to the SWOT sheet move to the Marketing Action Options Sheet. This sheet assists in organizing you thoughts on just what you would be will to do and what you may be unwilling to do to begin implementation of the top priority on your Brainstorm list. Why list what you think you are unwilling to do? Evaluation and analysis often moves items from one side to the other as some of the hard realities become more obvious. In this next example the SWOT sheet will be used again then proceed to the Marketing Action Options List to continue developing the marketing plan. In this SWOT sheet example, the option of selling to another local producer will be considered.

EXAMPLE SWOT Analysis Sheet

Question: Should I wholesale bulk maple syrup to a neighbor producer? _____

- | | |
|---|---|
| <ul style="list-style-type: none">• STRENGTHS• Several maple producers near me have developed great markets for maple and are looking for bulk syrup• I don't have time for retail sales• Family members available for delivery• I don't have the personality for retail• OPPORTUNITIES• A number of potential buyers of bulk syrup• Bulk prices are ok• I can concentrate on production efficiency• Delivery costs are very minimal | <ul style="list-style-type: none">• WEAKNESSES• Price may not be high enough• Need to purchase stainless barrels• Not a very efficient production system in place• Need equipment to handle bigger barrels• THREATS• Other local producers already in these markets with more history.• Poor production years possible• Very nervous about selling too close to home• Cost and retrieve ability of stainless barrels• Personal trust in some of the potential buyers• Selling wholesale into our own retail area |
|---|---|

Next answer the question yes, no or more marketing research is needed.

- Then we move on in the planning to the Marketing Option Action plan – what seems reasonable and what seems unreasonable to do to make it work
- If you answer No then you go back to the next marketing option and SWOT it.

Example: The Marketing Action Options

Question: If I sell Maple syrup in the barrel to a neighbor maple producer.

I will (begin or continue):

- Continue to make syrup with the equipment I have

I will not:

- Buy new stainless steel barrels
- Deliver
- Upgrade to a filter press

•Next pick what you think is your best “I will” action option and assemble a simple financial feasibility. In this example the advantage is based on the chance to use old barrels rather than purchase new stainless barrels to make this bulk sale to a neighbor maple producer.

Maple Marketing Action Financial Feasibility

Action: Selling bulk syrup to a neighbor

Costs:

Product 10 40 gallon barrels with production cost of \$2.00 per pound and syrup at 11.2 # per gallon = **\$8960**

Cost of using current old barrels ~\$4 each = **\$40**

Total costs: **\$9000**

Returns:

Because the syrup is in old barrels it loses a grade or two and because the buyer must pick it up the purchase price is \$2.40 per pound = **\$10,752**

Total return: **\$10,752**

Total income **\$1752**

This example adds the option of purchasing new stainless barrels to see if this is a positive change.

Example: The Marketing Action Options

Question: If I sell Maple syrup in the barrel to a neighbor maple producer.

I will (begin or continue):

- Continue to make syrup with the filtering equipment I have
- Buy new stainless steel barrels

I will not:

- Deliver
- Upgrade to a filter press

Maple Marketing Action Financial Feasibility

Action: Selling bulk syrup to a neighbor

Costs:

Product 10 40 gallon barrels with production cost of \$2.00 per pound and syrup at 11.2 # per gallon = **\$8960**

Cost of using new stainless steel barrels with average life of 15 years purchase at \$235 each = $235 \times 10 / 15 =$ **\$157**

Total costs: **\$9117**

Returns:

Because the syrup is in new barrels it maintains grade and because the buyer must pick it up the purchase price is \$2.80 per pound = **\$12,544**

Total return: **\$12,544**

Total income **\$3427 (+1675)**

Finance charge \$59 per year at 5%

Selling Syrup in Barrels important points.

- Can be a difficult way to make money in maple production if your production and handling system are not efficient. Bulk price ranges between \$1.50 and \$3.00+ per pound depending on grade, classification and location. Expenses for production and delivery can easily run into significant costs.
- It is most important to record production and delivery costs as much as possible and estimate those that are less direct like labor and machinery costs. Bulk purchasers are good at seeking your lowest price.
- Close financial planning and management are essential.
- This can be one of the easiest markets to locate and sell into. Unless you do something completely inappropriate bulk syrup can be sold right now.

Making the connection for a higher priced bulk sale

- A personal visit with sample product
 - Many sites would want this done by appointment
- Website listings
- Phone calls
- Trade show
- Letter and brochure
- Invitation to your production site
- A common association – local chamber of commerce, local action group
- E-mail
- Word of mouth, particularly at maple meetings or other business gatherings
- Ads in local or maple related publications

Assembling the Marketing Plan

- As you work through evaluating the options/ answering the questions you continually update the “I will” and “I will not” lists on your Marketing Actions Options Sheet listing the “I will” list in order of priority
- Then start with #1, on a new sheet write Priority #1 and state that priority and write a few lines describing how that priority will be carried out and present the financial evaluation that you conducted.
- If that priority has subcategories list and present the actions that will be taken to make them happen along with the financial evaluations and goals for the enterprise. Assign responsibilities.

Example Marketing Plan

- Priority #1, Mighty Tree Maple will sell bulk maple syrup in May to a major packer. Delivery will be accomplished by George using the farm pickup truck during the Vermont open house. New stainless steel barrels will be purchased for the 2013 season. George will take the whole crop on this trip and come back with full payment.

Marketing Plan Props

- Idea, brainstorm, questions or options list
- SWOT Analysis Sheet
- Marketing Actions Options
- Financial Feasibility
- Written Marketing Plan

SWOT Analysis Sheet

Question: _____

STRENGTHS

1.

2.

3.

4.

WEAKNESSES

1.

2.

3.

4.

OPPORTUNITIES

1.

2.

3.

4.

5.

THREATS

1.

2.

3.

4.

5.

The Marketing Action Plan

Question: _____

I will (begin or continue):

- 1.
- 2.
- 3.
- 4.
- 5.

I will not:

- 1.
- 2.
- 3.
- 4.
- 5.

Maple Marketing Action Financial Feasibility

Action:

Costs:

Returns:

Total costs:

Total return:

Total



March 2001

Smart Pricing Strategies

by

Wen-fei L. Uva, Senior Extension Associate
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Pricing is an important piece of smart marketing. The price a farmer receives depends largely on the distribution channel used to sell the product. Farmers are usually price-takers at terminal and wholesale markets. For farmers, one of the major attractions of direct marketing is the opportunity of gaining control over the prices they can charge. Yet frustration often arises when trying to determine prices, and one of the most difficult problems in direct marketing often centers around the all-too-common practice of price-cutting.

Price provides income, guides the quantity supplied and demanded, serves as a signal to customers, and transfers ownership. Questions one should ask before determining prices include: How much do the competitors charge? How much are customers willing to pay? Does the product have additional value for which the price may be raised? What is the cost to produce the product? And if you slash prices (below competition), how will you maintain profitability?

The most basic element of pricing is to know your costs, including variable costs and fixed costs. Variable costs are cost items directly related to production -- plants, seeds, fertilizer, labor, packaging, etc. Fixed costs are cost items that do not vary with production volume, such as rent, taxes, management salaries, and cost of capital. The price of one item should at least cover variable costs in the short run and need to cover both variable and fixed costs in the long run. It is important to establish a gross margin that will cover the total costs of growing and

marketing the product and provide a satisfactory profit for the business. Gross margin is the difference between the cost of the product and its selling price.

$$\text{Gross Margin \%} = \frac{\text{Selling Price} - \text{Cost}}{\text{Selling Price}} * 100$$

$$\text{Retail Price (\$)} = \frac{\text{Cost of Goods Sold (\$)}}{100(\%) - \text{Desired Gross Margin (\%)}} * 100$$

After the prices are established based on the desired gross margin for each product, it is often necessary for the smart marketer to adjust the prices to match the marketing strategy. One might want to lower prices of certain items to meet competition, attract customers to the retail outlet (i.e., advertised specials), or sell products that may have been damaged, overstocked or seasonal. Sometimes one will want to increase prices of certain items to reflect the value of a unique product, a special service, or a prestige image. When considering changing prices, it is important to calculate the impact of such a reduction or increase on the total gross margin of the business. This can be done as illustrated in the following example.

Assume a direct marketer is selling just five major items from a farm stand. The direct marketer has calculated the gross margin for each product sold using the cost of goods (a cost of production or market wholesale price) and has also estimated the approximate sales for each product as a percentage of total sales. The percentage of sales and gross margin for each product are shown below.

Contribution to Total Sales and Gross Margin before Price Reduction			
<i>Item</i>	<i>A. Percent of Total Sales (Estimated)</i>	<i>B. Percent Contribution to Gross Margin</i>	<i>C. Total Gross Margin (C = A x B)</i>
Apples	35	30	10.5
Mums	10	35	3.5
Pumpkins	15	30	4.5
Sweet Corn	10	20	2.0
All Others	30	20	6.0
Total	100%		26.5%

In this situation, if the direct marketer lowered the price on pumpkins as a Halloween promotion to meet a lower price by a competitor or to sell out the seasonal stock, the price reduction resulted in a gross margin of 10 percent (a drop from 30 percent) and stimulated sales

to increase to 20 percent of the total (up from 15 percent). The impact of the price reduction on the total sales and profits of the business could be calculated as follows:

Contribution to Total Sales and Gross Margin after Price Reduction			
<i>Item</i>	<i>A. Percent of Total Sales (Estimated)</i>	<i>B. Percent Contribution to Gross Margin</i>	<i>C. Total Gross Margin (C = A x B)</i>
Apples	33	30	9.90
Mums	9	35	3.15
Pumpkins	20	10	2.00
Sweet Corn	10	20	2.00
All Others	28	20	5.60
Total	100%		22.65%

Therefore, the direct marketer could forecast a drop in total gross margin from 26.50% to 22.65%, or a loss of -3.85% in gross margin. Assuming that sales for the business averaged \$5,000 per week, this would mean a loss of: $\$5,000 \times -3.85\% = -\192.50 .

However, if the lower price on pumpkins attracted more customers or more sales for the business, and resulted in an overall increase in sales of more than \$192.50, the result would be an increase in total gross revenue for the direct marketer.

For example:

Gross margin before the price reduction $\$5,000 \times 0.265 = \$1,325.00$

Gross margin after the price reduction (with a \$900 sales increase) $\$5,900 \times 0.2265 = 1,336.35$

Now there is a slight gain in total gross margin.

Remember that having the “lowest price in the market” image can’t get you higher prices for higher quality products. Having a “value” image is to reach an optimal combination of quality, service, information and price. Price competition in a market situation with multiple similar sellers in one location can cause severe consequences.

The following are some pricing strategies for *Smart Marketers*.

- **Price-lining:** Price-lining features products at a limited number of prices, reflecting varying product quality or product lines. This strategy can help smart marketers sell top quality produce at a premium price and an “economy line”, e.g., overripe or smaller

fruits. Price-lining can also make shopping easier for consumers and sellers because there are fewer prices to consider and handle.

- Single-pricing: The single-price strategy charges customers the same price for all items. Items are packaged in different volumes based on the single price for which they would be sold. With such a policy the variety of offerings is often limited. The strength is being able to avoid employee error and facilitate the speed of transactions. Also, customers know what to expect. There are no surprises for customers.
- Loss-leader pricing: A less-than-normal markup or margin on an item is taken to increase customer traffic. The loss-leaders should be well-known, frequently purchased items. The idea is that customers will come to buy the “leaders” and will also purchase regularly priced items. If customers only buy the “loss leaders,” the marketer is in trouble.
- Odd-ending pricing: Odd-ending prices are set just below the dollar figure, such as \$1.99 a pound instead of \$2.00. Some believe that consumers perceive odd-ending prices to be substantially lower than prices with even-ending. However, it might not be suitable in some markets. For example, in a farmers’ market situation, products should be priced in round figures to speed up sales and eliminate problem with change.
- Quantity discount pricing: A quantity discount is given to encourage customers to buy in larger amounts, such as \$2.00 each and three for \$5.00. Gross margins should be computed on the quantity prices.
- Volume pricing: Volume pricing uses the consumer's perception to the business's advantage, and no real discount is given to customers. Rather than selling a single item for \$2.50, two are priced for \$4.99 or \$5.00.
- Cumulative pricing: Price discount is given based on the total volume purchased over a period of time. The discount usually increases as the quantity purchased increases. This type of pricing has a promotional impact because it rewards a customer for being a loyal buyer.
- Trade discount/Promotional allowances: Price is reduced in exchange for marketing services performed by buyers or to compensate buyers for performing promotional services.

- Cash discount: A discount is given to buyers who pay their bills within a specified period of time to encourage prompt payment.
- Seasonal discount: This type of discount is used to induce buyers to purchase at the end of the season or during off-season.

While the above strategies are widely used and have been proven effective, smart marketers should not be limited to these strategies. Creative pricing ideas can help you differentiate your products and services. No matter how you price your products, always go back to check it against your bottom-line. Make sure prices for your products reflect your business image and target market and make a profit. Smart pricing can be a good marketing strategy.

"Smart Marketing" is a monthly marketing newsletter for extension publication in local newsletters and for use by local media. It reviews the elements critical to successful marketing in the food and agricultural industry. Articles are written by faculty members in the Department of Applied Economics and Management at Cornell University.

"Share the gift of communication." Please cite or acknowledge when using this material.

Wholesale marketing and pricing of maple products.

Many maple producers seek to retail maple products to collect the higher price. Retail focuses on making high quality products efficiently but also must devote significant time presenting the products for sale to the retail customer in a variety of venues. Once you have made the decision to be a wholesale marketer of maple products, rather than retail, the business focus changes dramatically. Now rather than spending your time seeking retail contacts the focus becomes production and marketing efficiency, costs control and meeting the very specific demands of the wholesale purchaser. To be profitable in the wholesale trade demands better record keeping, careful evaluation of pricing and margins, very targeted communications with the purchaser and a tightly managed delivery system.

Know your Costs and Price for Profit

Price is one of the four P's of Marketing: Price, Product, Placement, and Promotion. Price is critically important to the profit on the farm, but the other P's of marketing contribute substantially to the price that you can get. Profit is the 5th P that keeps you in business. There are various costs that go into deciding what price you will charge for your product.

1) Start with the input costs = **Variable Costs (VC)** i.e. energy, containers, cleaners, labor

If you don't cover these you will have to shut down in a short amount of time.

2) Add in ownership costs = **Fixed Costs (FC)** i.e. depreciation, interest, repairs, taxes, insurance

If you cover these you will meet your breakeven cost to the business, but have nothing left for yourself. Every item should contribute to ownership costs. If you don't cover ownership costs, you will have to shut down in a longer amount of time.

3) Add in a return to you = **Profitable Price** - this is the price you need to survive in the long run.

Allocate Expenses by Enterprise

To track labor and equipment costs by product requires excellent records. You can keep track of tasks and expenses such as insurance and taxes for the whole farm and allocate by square feet used by the maple operation. Keep track of daily time spent for special efforts or expenses required by specific products such as value added products. Add all of these together to determine costs per product. Be sure to keep track of sap yields or the amount of product that was actually sold, as this impacts the price per unit significantly.

Calculations for Determining Price

Cost and Profit Method

Add your variable cost + your fixed costs + profit needed for the particular product = Income

Divide by number of units produced = price/unit

For example:

If it costs you \$3,000 total variable costs and \$2,000 total fixed costs and you want \$2,000 of profit for a specific product then your total income from that product needs to be \$7,000.

Divide this by the number of units produced, and you will have the price per unit.

$\$7,000 / 950 \text{ units} = \$7.38/\text{unit}$

Gross Margin Method

This method derives from the whole business sales, costs, and planned profit. This method is usually used by retail businesses that resell products. An example of gross margin method in a maple business might be:

Know your total expected maple sales = \$10,000

Know your total fixed costs + desired profit = \$3,000 – this is the gross margin needed.

Divide your gross margin by total sales: $\$3,000/\$10,000 = 30\%$

Know your unit variable cost = \$5.00

You divide the unit price by 1- 30% of the unit variable cost to determine the price

$\$5.00 / (1-30\%) = \$5.00 / .7 = \$7.14 \text{ per unit}$

Plan for Profit – Don't Drop Prices

What if you have syrup at \$3.50/50 ml according to your calculations and your neighbor has \$3.00/50 ml? Can you still make a profit by lowering your price? Sometimes it is better to sell fewer at the higher price than sell more at the lower price. For example, if your margin on the \$3.50 is \$0.50 toward profit. If you sell 300 that will give you \$150 in profit. You would have to sell 600 if you sold at \$3.25 to get the same profit. For a 7% decrease in price you have to sell twice as much product.

Do **not** price your farm product below the market just because the farm income is inconsequential for you. For example, you may be able to afford to sell a maple sugar leaf for \$1.00, but other local farmers who rely on farm income for their families cannot – they might need the full price of \$3.00 to cover their expenses and do not have the off-farm income you do. They could lose sales unfairly due to your indiscretion. In the interest of cooperating fully with your local farm community, keep your prices in line with market rates for any farm product, even if you can afford not to.

Going Rate for Market Area

Many beginning farmers start out with a pricing strategy that reflects what everyone else is charging. While this is a good place to begin, it is not where you want to be forever. It is important to know your costs and price for profit.

Record Keeping is Good Business

At a minimum your farm will need a record keeping system for tax and legal compliance and it is highly recommended that you also keep yield and other farm production records that might be useful to making decisions on the farm. For example, many growers keep weather logs so that they can evaluate their practices and yields and then make better growing practice and crop variety decisions for the coming year. Many tools are available as part of the Improving Profitability tutorial on the Northeast Beginning Farmer website: <http://nebeginningfarmers.org/farmers/achieving-profitability/profitability-tutorial/>.

Paper Records

Small farms and many businesses just starting out use the shoebox method of accounting. Keep all sales receipts in one folder, expense receipts in another, maintain a capital asset depreciation log, and you may have additional folders for farm yield or other data important to the year. The advantage of this system is that it is simple and easy to do. The disadvantage is that the data is not well organized so when you need farm information you often have to sort through piles of paper and do all computations by hand.

Cornell Farm Account Book

Cornell and many accounting services have pre-formatted account books with categories common to agriculture and additional areas for yield and capital asset data. These are typically of nominal cost (\$10-\$20).

The advantage of the farm account book is that it is easy to understand and the information is well laid out in case you need to access it later. The disadvantage is that the information may not be laid out how you as a manager would like it, and it is still a hand-entry accounting system so entering farm information may take several hours per week. To order the Cornell Farm Account Book (\$20) or the Cornell Classic Farm Account Book (\$15) from CUP Services, a division of Cornell University Press, write P.O. Box 6525 Ithaca NY 14850, call 800-666-2211, or e-mail orderbook@cupserv.org.

Excel Spreadsheets

If you can use a basic spreadsheet in Excel or a similar program, this is a good compromise between paper systems and more sophisticated recordkeeping programs. Many new farmers start out with a simple spreadsheet like [this one from Cornell](#) (.XLS), which is intended for high tunnel crop producers but can be adapted for any operation. If you don't need to generate invoices and have a relatively simple, small operation, a spreadsheet like this may serve your needs well for many years.

Quick Books

The most common software program for financial management is Quick Books; however, there are more expensive industry-specific programs specifically designed for dairy farms or wineries, for example. (Try searching online for “winery financial management software.”) If you are intimidated by QuickBooks, try their SimpleStart program from Intuit (search for this online). It's free and is a good way to ease into using QuickBooks. If you are ready to upgrade at any point, you'll be able to transfer your records seamlessly into the full QuickBooks program. Check out your local credit unions, banks, and Cooperative Extension to find out if they offer any QuickBooks trainings.

Farm Records Service

Some farmers choose to mail all invoices to an accounting service where the accountant will enter the information into a computer records system, provide you with detailed monthly business statements, and perform all tax functions.

The advantage of this system is that it provides a person who does not have the time, understanding of accounting, or computer skills the highest level of records information. The disadvantage is that this system has the highest cost and the monthly business statements take a few weeks to process and get back whereas the person utilizing an on-farm computer records system will have those statements in real time.

This fact sheet is part of the Guide to Farming in NY by Monika Roth et al, published by the Cornell Small Farms Program and Cornell Cooperative Extension. Fact sheets are updated once annually, so information may have changed since last revision. If you are reading a printed version of a fact sheet, compare revision date with online fact sheet publish dates to make sure you have the latest version.

Maple Enterprise Business Summary

Chart of Accounts

Number of taps _____ Gallons of syrup produced _____

Syrup purchased for resale or processing _____ gallons, or _____ pounds

<u>Revenue</u>	<u>Value</u>
Retail syrup sales	_____
Wholesale syrup sales	_____
Bulk syrup sales	_____
Bulk sap sales	_____
Retail confections sales	_____
Wholesale confections sales	_____
Other maple products	_____
Other income(maple related only)	_____
Maple equipment sold	_____
_____	_____

Expenses (reminder - maple related only - not other enterprise, business or personal)

Fuel – gasoline & oil	_____
Fuel – evaporate & finish	_____
Utilities – electric	_____
Utilities – gas & other	_____
Fuel pre-purchased for use in 2008	_____
Maintenance	_____
Repairs	_____
Supplies	_____
Purchased sap	_____
Purchased syrup	_____
Purchased pre-made confections	_____
Other products purchased for resale	_____
Insurance	_____

Interest	_____
Taxes	_____
Rent & leases	_____
Bank charges	_____
Tap or woods rental	_____
Advertising	_____
Special containers	_____
Booth rental	_____
Other marketing	_____
Wages	_____
Payroll taxes	_____
Contract labor	_____
Charitable contributions	_____
Delivery expenses	_____
Dues and subscriptions	_____
Office expenses	_____
Permits and licenses	_____
Postage	_____
Telephone	_____
Travel	_____
Vehicle expenses	_____
Other	_____

Value of operator's unpaid labor (estimated) _____

Value of operator's other family members unpaid labor _____

Value of non-family members unpaid labor _____

Barcodes may be a necessary component of selling wholesale.

Stephen Childs, NYS Maple Specialist, Cornell University

When attempting to sell maple syrup products into the wholesale market it may be an advantage or more often a necessity to have your products barcoded. Fortunately obtaining barcodes has become easier and less expensive with the expansion of the internet. Barcodes on food packaging were generated and licensed by the Uniform Code Council starting back in the 1970's. This is an association of manufacturers and retailers who assigned and granted licenses to food manufacturers and other producers to use a specific bar code. In 2005 the Uniform Code Council became the official GS1 member organization for the United States of America under the new name of GS1 US. All official UPC codes in the United States are registered and managed by GS1. Barcodes can be purchased directly from GS1 US but a number of other companies had purchased large numbers of barcodes from the Uniform Code Council and now make them available to marketers seeking barcodes for their products. This created a number of places to purchase access to barcodes. Each of these organizations and businesses have their own application procedure, pricing structure, membership, annual charges and methods of providing the codes and labels. So a little shopping around for a barcode supplier may be to your advantage. There are instances when it is necessary for a business to purchase bar codes directly from GS1. Some large retailers such as Walmart, Macy's, Kroger Family Grocery Stores, Fred Meyer, Bloomingdale's, Sam's Club and others do not accept products that utilize bar code numbers that have been resold. To ensure that your retailer of choice will accept your purchased bar codes, check their bar code requirements before making your purchase.

Using a bar code makes your product significantly more attractive to large and medium-size retailers, because most retailers have integrated bar code scanning technology into their payment, inventory and supply-chain management systems. You can also use barcodes to manage your sale ready inventory. The barcode can be incorporated into the labeling itself or affixed later as a sticker. It's not enough to just have a license to a bar code. You must also ensure the bar code is printed on your packaging and labeling materials in the proper size. You will need one code per item that would vary in color, size, container or price. The price

of an item is not included in the barcode. When the barcode is scanned it will look up the price on the retailer's database. The database contains the price and product information that you originally submitted to them.

If you want to sell some non-food items into the retail trade it will be necessary to understand the broader bar code world. "UPC" stands for Universal Product Code. Retail products in the North American market feature a single standard UPC barcode. The exceptions to this rule are: books, magazines, greeting cards, and prescription drugs. Retail products sold outside of North America feature an EAN barcode. Providing the barcode image to your graphic designer and including it in the design of your packaging prior to manufacturing represents the easiest and most economical way of getting your barcode on your product. If your product packaging has already been printed, you will need barcode labels. Some wholesale purchasers may also require a Shipping Container Code (SCC-14). A common method by which a retailer scans your product shipments into inventory is the SCC-14 or Shipping Container Code. These are generally available from the same source as your other barcodes.

NEW YORK STATE

FOOD LABELING

This is a brief summary of the labeling regulations governing foods offered for sale in New York State. It is not meant to be all inclusive of all of the labeling requirements. Prior to printing, it is strongly suggested that labels be submitted to this agency for review.

For specific information write to:

State of New York
Department of Agriculture and Markets
Division of Food Safety and Inspection
Attn: Economic Section
10B Airline Drive
Albany, NY 12235

FSI-514 (Revised 5/01)

Five Basic Label Requirements

- > Identity of Food in Package Form
- > Name of Manufacturer, Packer or Distributor
- > Place of Business
- > Ingredient Declaration
- > Net Quantity of Contents

> IDENTITY OF FOOD IN PACKAGE FORM

- a. The principal display panel of a label for a food in package form shall bear as one of its principal features a statement of the identity of the commodity by its common or usual name.
- b. Where a food is marketed in various forms (grated, sliced, diced, etc.) the particular form shall be considered as part of the identity statement.

- c. The statement of identity shall be present in bold type on the principal display panel and shall be in a size reasonably related to the most prominent printed matter.

> Name of Manufacturer, Packer or Distributor

- a. In the case of a corporation, only the actual corporate name, and this may be preceded or followed by the name of the particular division involved.
- b. In the case of an individual, partnership or association, the name under which the business is conducted shall be used.
- c. When the food is not manufactured by the person whose name appears on the label, a qualifying phrase such as "Manufactured for _____", "Distributed by _____", or other expression of facts, shall appear with the name.

> Place of Business

The place of business shall include the street address, city, State and ZIP code. However, the street address may be omitted if it is shown in a current city or telephone directory.

> Ingredient Declaration

- a. The ingredients shall be listed by their common or usual name in descending order of predominance by weight, on a single panel of the label.
- b. The name of the ingredient shall be a specific name and not a collective name.
 - 1. If the ingredient is a designated spice, flavoring or natural color, it need only be stated as spices, artificial color or artificial flavor. Colorings subject to certification (FD&C) must be listed by their specific name, i.e. FD&C Yellow #5.
 - 2. If an ingredient used in the product conforms to a standard of identity or is a multi-ingredient product, its ingredients are required to be listed on the label.
 - 3. When blends of fats and/or oils are used, the common or usual name of each fat or oil used must be listed in parenthesis following the term vegetable shortening, animal fat or marine oil.
 - 4. If an individual fat and/or oil ingredient is used, not a blend, the common name of that product must be listed in the correct order of predominance.
- c. No abbreviations of an ingredient's common or usual name are permitted, unless explicitly provided for in the statutes.
- d. Water used in fabricated foods shall be declared on the label in its order of

predominance.

> Net Quantity of Contents

- a. The principal display panel of a label for a food in packaged form shall bear a declaration of net quantity of contents.
 1. The declaration shall be expressed in terms of avoirdupois pound and ounce, volume, and/or numerical count.
 2. The declaration shall appear as a distinct item within the lower 30 percent of the principal display panel. The declaration shall be printed in boldface print or type in letters and numbers in a size in relationship to the total square inches of the principal display panel.

Area of PDP	Minimum Type Size
5 sq. inches or less	1/16 inch (1.6 mm/6 point)
> 5 sq. inches, but < 25 sq. inches	1/8 inch (3.2mm/14 point)
> 25 sq. inches, but < 100 sq. inches	3/16 inch (4.8mm/20 point)

3. The declaration of net quantity of contents shall be expressed in the following terms:
 - a. Weight (one pound, but less than four pounds) expressed in ounces and followed by the largest whole unit in parenthesis, i.e. NET WT. 24 OZ (1 LB 8 OZ).
 - b. Fluid measure (one pint, but less than one gallon) expressed in fluid ounces and followed by the largest whole unit in parenthesis, i.e. 20 FLOZ (1PT4OZ).
4. A separate statement of the net quantity of contents in terms of the metric system is required to appear on the principal display panel as part of the required declaration, i.e. NET WT 9 OZ (255g) or 9 FL OZ (266 ml).

> General Label Information

a. Principal Display Panel:

The term "principal display panel" as it applies to food in packaged form means the part of the label that is mostly to be displayed, presented, shown or examined under customary conditions of display for retail sales. The principal display panel shall be large enough to accommodate all the mandatory label information required to be placed thereon with clarity and conspicuousness and without obscuring design, vignettes, or crowding.

b. Information Panel:

The term "information panel" as it applies to packaged food means that part of

the label immediately contiguous and to the right of the principal display panel as observed by an individual facing the principal display panel.

c. Labeling Information Requirements:

All information appearing on the principal display panel or information panel shall appear prominently and conspicuously, but in no case may the letters/numbers be less than one-sixteenth of an inch in height, except for those requirements previously addressed.

d. Language:

1. All required label information shall appear in the English language.
2. If the labeling bears any statutory information in a foreign language, all the required labeling information shall appear in both the foreign and English language.

e. Imitation Foods:

If any food product is an imitation of another, and is nutritionally inferior to that product, it must be labeled "Imitation ____", with the space being filled in with the name of the food imitated, and with the word "imitation" in type of uniform size and prominence as used for the name of the food.

f. Packaging:

A package or commodity in packaged form means any commodity put up or packaged in any manner in advance for retail sale. This should include cellophane wrapped products kept in a closed display case, even if these products need to be weighed and priced at the time of sale.

g. Nutrition Information:

Information as to the requirements for inclusion of nutrition information on a label should be addressed to this agency.

FDA Food Product Dating

"Sell by Feb 14" is a type of information you might find on a meat or poultry product. Are dates required on food products? Does it mean the product will be unsafe to use after that date? Here is some background information which answers these and other questions about product dating.

[What is dating?](#)

[Is dating required by federal law?](#)

[What types of food are dated?](#)

[Types of Dates](#)

[Safety After Date Expires](#)

[Dating Infant Formula](#)

[What do can codes mean?](#)

[Dates on Egg Cartons](#)

[UPC or Bar Codes](#) [Storage Times](#)

[Refrigerator Home Storage, Fresh or Uncooked Products](#)

[Refrigerator Home Storage, Processed Products Sealed at Plant](#)

What is dating?

"Open Dating" (use of a calendar date as opposed to a code) on a food product is a date stamped on a product's package to help the store determine how long to display the product for sale. It can also help the purchaser to know the time limit to purchase or use the product at its best quality. It is not a safety date. After the date passes, while it may not be of best quality, refrigerated products should still be safe if handled properly and kept at 40 °F (4.4 °C) or below for the recommended storage times listed on the chart (see below). If product has a "use-by" date, follow that date. If product has a "sell-by" date or no date, cook or freeze the product by the times on the chart below.

Is dating required by federal law?

Except for infant formula ([see below](#)), product dating is not generally required by Federal regulations. However, if a calendar date is used, it must express both the month and day of the month (and the year, in the case of shelf-stable and frozen products). If a calendar date is shown, immediately adjacent to the date must be a phrase explaining the meaning of that date such as "sell-by" or "use before."

There is no uniform or universally accepted system used for food dating in the United States. Although dating of some foods is required by more than 20 states, there are areas of the country where much of the food supply has some type of open date and other areas where almost no food is dated.

What types of food are dated?

Open dating is found primarily on perishable foods such as meat, poultry, eggs and dairy products. "Closed" or "coded" dating might appear on shelf-stable products such as cans and boxes of food.

Types of Dates

- A **"Sell-By"** date tells the store how long to display the product for sale. You should buy the product before the date expires.
- A **"Best if Used By (or Before)"** date is recommended for best flavor or quality. It is not a purchase or safety date.
- A **"Use-By"** date is the last date recommended for the use of the product while at peak quality. The date has been determined by the manufacturer of the product.
- **"Closed or coded dates"** are packing numbers for use by the manufacturer.

Safety After Date Expires

Except for "use-by" dates, product dates don't always pertain to home storage and use after purchase. "Use-by" dates usually refer to best quality and are not safety dates. Even if the date expires during home storage, a product should be safe, wholesome and of good quality if handled properly. See the accompanying refrigerator charts for storage times of dated products. If product has a "use-by" date, follow that date. If product has a "sell-by" date or no date, cook or freeze the product according to the times on the chart below.

Foods can develop an off odor, flavor or appearance due to spoilage bacteria. If a food has developed such characteristics, you should not use it for quality reasons.

If foods are mishandled, however, foodborne bacteria can grow and, if pathogens are present, cause foodborne illness — before or after the date on the package. For example, if hot dogs are taken to a picnic and left out several hours, they will not be safe if used thereafter, even if the date hasn't expired.

Use of either a "Sell-By" or "Expiration" (EXP) date is not federally required, but may be State required, as defined by the egg laws in the State where the eggs are marketed. Some State egg laws do not allow the use of a "sell-by" date.

Many eggs reach stores only a few days after the hen lays them. Egg cartons with the USDA grade shield on them must display the "pack date" (the day that the eggs were washed, graded, and placed in the carton). The number is a three-digit code that represents the consecutive day of the year starting with January 1 as 001 and ending with December 31 as 365. When a "sell-by" date appears on a carton bearing the USDA grade shield, the code date may not exceed 45 days from the date of pack.

Always purchase eggs before the "Sell-By" or "EXP" date on the carton. After the eggs reach home, refrigerate the eggs in their original carton and place them in the coldest part of the refrigerator, not in the door. For best quality, use eggs within 3 to 5 weeks of the date you purchase them. The "sell-by" date will usually expire during that length of time, but the eggs are perfectly safe to use.

UPC or Bar Codes

Universal Product Codes appear on packages as black lines of varying widths above a series of numbers. They are not required by regulation but manufacturers print them on most product labels because scanners at supermarkets can "read" them quickly to record the price at checkout.

Bar codes are used by stores and manufacturers for inventory purposes and marketing information. When read by a computer, they can reveal such specific information as the manufacturer's name, product name, size of product and price. The numbers are not used to identify recalled products.

Storage Times

Since product dates aren't a guide for safe use of a product, how long can the consumer store the food and still use it at top quality? Follow these tips:

- Purchase the product before the date expires.
- If perishable, take the food home immediately after purchase and refrigerate it promptly. Freeze it if you can't use it within times recommended on chart.
- Once a perishable product is frozen, it doesn't matter if the date expires because foods kept frozen continuously are safe indefinitely.
- Follow handling recommendations on product.
- Consult the following storage chart.

Refrigerator Home Storage (at 40 °F [4.4 °C] or below) of Fresh or Uncooked Products

- If product has a "use-by" date, follow that date.
- If product has a "sell-by" date or no date, cook or freeze the product by the times on the following chart.

Refrigerator Storage of Fresh or Uncooked Products	
Product	Storage Times After Purchase
Poultry	1 or 2 days
Beef, Veal, Pork and Lamb	3 to 5 days
Ground Meat and Ground Poultry	1 or 2 days
Fresh Variety Meats (Liver, Tongue, Brain, Kidneys, Heart, Chitterlings)	1 or 2 days
Cured Ham, Cook-Before-Eating	5 to 7 days
Sausage from Pork, Beef or Turkey, Uncooked	1 or 2 days
Eggs	3 to 5 weeks

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Refrigerator Home Storage (at 40 °F [4.4 °C] or below) of Processed Products Sealed at Plant

- If product has a "use-by" date, follow that date.
- If product has a "sell-by" or no date, cook or freeze the product by the times on the following chart.

Refrigerator Storage of Processed Products Sealed at Plant		
Processed Product	Unopened, After Purchase	After Opening
Cooked Poultry	3 to 4 days	3 to 4 days
Cooked Sausage	3 to 4 days	3 to 4 days
Sausage, Hard/Dry, shelf-stable	6 weeks/pantry	3 weeks
Corned Beef, uncooked, in pouch with pickling juices	5 to 7 days	3 to 4 days
Vacuum-packed Dinners, Commercial Brand with USDA seal	2 weeks	3 to 4 days
Bacon	2 weeks	7 days
Hot dogs	2 weeks	1 week
Luncheon meat	2 weeks	3 to 5 days
Ham, fully cooked	7 days	slices, 3 days; whole, 7 days
Ham, canned, labeled "keep refrigerated"	9 months	3 to 4 days
Ham, canned, shelf stable	2 years/pantry	3 to 5 days
Canned Meat and Poultry, shelf stable	2 to 5 years/pantry	3 to 4 days

Contains Nonbinding Recommendations

Guidance for Industry

What You Need To Know About Registration of Food Facilities Small Entity Compliance Guide

*Additional copies are available from:
Office of Compliance, HFS-607
Center for Food Safety and Applied Nutrition
Food and Drug Administration
5100 Paint Branch Parkway
College Park, MD 20740
(Tel) 240-402-1887
<http://www.fda.gov/FoodGuidances>*

You may submit either electronic or written comments regarding this guidance at any time. Submit electronic comments to <http://www.regulations.gov>. Submit written comments on the guidance to the Division of Dockets Management (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852. All comments should be identified with the docket number listed in the notice of availability that publishes in the *Federal Register*.

**U.S. Department of Health and Human Services
Food and Drug Administration
Center for Food Safety and Applied Nutrition
Center for Veterinary Medicine**

December 2012

Guidance for Industry¹

What You Need To Know About Registration of Food Facilities Small Entity Compliance Guide

This guidance document is a restatement of the Food and Drug Administration's (FDA's) current requirements for registration of food² facilities presented in simplified format and language. As guidance, it is not binding on either FDA or the public.

FDA has prepared this guidance to restate the legal requirements in section 415 of the Federal Food, Drug, and Cosmetic Act (FD&C Act). Previously, this guidance restated the legal requirements of FDA's food facility registration regulation at 21 CFR Part 1, Subpart H (21 CFR 1.225 through 1.243), implementing section 415 of the FD&C Act, as added by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002. This guidance also served as FDA's Small Entity Compliance Guide (SECG) for 21 CFR Part 1, Subpart H in accordance with section 212 of the Small Business Regulatory Enforcement Fairness Act (Public Law 104-121). However, section 415 of the FD&C Act was amended by the FDA Food Safety Modernization Act (FSMA) in 2011. Accordingly, FDA is revising this document to provide guidance intended to help any entity comply with the requirements of section 415 of the FD&C Act, including the amendments to section 415 of the FD&C Act made by section 102 of FSMA. This document continues to serve as FDA's SECG for 21 CFR Part 1, Subpart H.

Introduction

The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (the Bioterrorism Act) directs the Food and Drug Administration (FDA), as the food regulatory agency of the Department of Health and Human Services, to take steps to protect the public from a threatened or actual terrorist attack on the U.S. food supply and other food-related emergencies.

To carry out certain provisions of the Bioterrorism Act, FDA established regulations requiring that:

- Food facilities register with FDA, and
- FDA be given advance notice on shipments of imported food.

These regulations became effective on **December 12, 2003**.

The FDA Food Safety Modernization Act (FSMA), enacted on January 4, 2011, amended section 415 of the Federal Food, Drug, and Cosmetic Act (FD&C Act), in relevant part, to require that facilities engaged in manufacturing, processing, packing, or holding food for consumption in the United States submit additional registration information to FDA, including an assurance that

¹ This guidance has been prepared by the Office of Compliance, in the Center for Food Safety and Applied Nutrition, and the Office of Surveillance & Compliance, in the Center for Veterinary Medicine, at the U.S. Food and Drug Administration.

² In this document, the term "food" refers to food for humans and animals, as defined in 21 CFR 1.227(b)(4).

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FDA will be permitted to inspect the facility at the times and in the manner permitted by the FD&C Act. Section 415 of the FD&C Act, as amended by FSMA, also requires food facilities required to register with FDA to renew such registrations every other year, and provides FDA with authority to suspend the registration of a food facility in certain circumstances. Specifically, if FDA determines that food manufactured, processed, packed, received, or held by a registered food facility has a reasonable probability of causing serious adverse health consequences or death to humans or animals, FDA may by order suspend the registration of a facility that:

1. Created, caused, or was otherwise responsible for such reasonable probability; or
2. Knew of, or had reason to know of, such reasonable probability; and packed, received, or held such food.

Purpose of this Guidance

This guidance was created to inform domestic and foreign food facilities about the food facility registration requirements. It contains important information that may affect your firm.

The information in this guidance also appears online at
<http://www.fda.gov/Food/FoodSafety/FSMA/ucm257978.htm>

ABOUT REGISTRATION

Food Facility Registration Requirement

Domestic and foreign facilities that manufacture, process, pack, or hold food, as defined 21 CFR 1.227, for human or animal consumption in the U.S. must register with FDA effective December 12, 2003.

Why Facility Registration Is Required

Food facility registration will help FDA to:

- Determine the location and source of a potential bioterrorism incident or an outbreak of food-borne illness; and
- Quickly notify facilities that may be affected.

What It Costs

There is no fee for registration or updates to a registration.

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HOW REGISTRATION AFFECTS YOU

Which Facilities Must Register

If your facility is in one of the following food industry sectors, you must register your facility with FDA effective December 12, 2003.

Food Industry Sectors Affected
<ul style="list-style-type: none">• Domestic and foreign manufacturers or processors *• Domestic and foreign packers *• Domestic and foreign storage operations *

<i>Foods Handled by More Than One Foreign Facility:</i>	
If...	Then...
A foreign facility that manufactures, processes, packs, or holds the food sends it to <i>another</i> foreign facility for further manufacturing/processing (including packaging) before the food is exported to the U.S.	Only the <i>second</i> foreign facility is required to register with respect to that food.
The second foreign facility performs only a minimal activity, such as putting on a label	<i>Both</i> facilities must register.
Any foreign facility packs or holds food <i>after</i> the last foreign manufacturer/processor of the food	The foreign packer or holder must register.

* Domestic facilities must register whether or not food from the facility enters interstate commerce.

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Food Included in the Regulation

Registration pertains only to facilities that manufacture/process, pack, or hold food, as defined in 21 CFR 1.227, for consumption by humans or animals in the U.S.

The following chart gives examples of the types of food that are included in or excluded from the “food” definition in the facility registration regulation. If your facility handles any of the included foods, it must be registered.

INCLUDED Foods	EXCLUDED Foods
<ul style="list-style-type: none">• Dietary supplements and dietary ingredients• Infant formula• Beverages (including alcoholic beverages and bottled water)• Fruits and vegetables• Fish and seafood• Dairy products and shell eggs• Raw agricultural commodities for use as food or components of food• Canned and frozen foods• Bakery goods, snack food, and candy (including chewing gum)• Live food animals• Food for animals (e.g., pet food, pet treats and chews, animal feed)	<ul style="list-style-type: none">• Food contact substances• Pesticides

Note: A facility that manufactures/processes, packs, or holds only a food contact substance or pesticide is NOT required to register with FDA.

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Facilities That Do Not Have to Register

If your facility is involved in one of the following activities, it does NOT have to register with FDA.

These Facilities DON'T Have to Register

- **Private residences of individuals**, even though food may be manufactured/processed, packed, or held in them.
- **Non-bottled water drinking water collection and distribution establishments and structures**, such as municipal water systems.
- **Transport vehicles that hold food only in the usual course of their business as carriers**.
- **Farms** — i.e., facilities in one general location devoted to growing and harvesting crops (washing, trimming outer leaves, and cooling produce are part of harvesting) and/or raising animals (including seafood). The term “farm” includes facilities that pack or hold food, provided that all food used in those activities is grown, raised, or consumed on that farm or another farm under the same ownership, as well as facilities that manufacture/process food, provided that all food used in such activities is consumed on that farm or another farm under the same ownership.
- **Restaurants** — i.e., facilities that prepare and sell food directly to consumers for immediate consumption, including pet shelters, kennels, and veterinary facilities that provide food directly to animals. Facilities that provide food to interstate conveyances, such as commercial aircraft, or central kitchens that do not prepare and serve food directly to consumers, are not restaurants for purposes of 21 CFR Part 1, Subpart H.
- **Retail food establishments**, such as grocery stores, delis, roadside stands that sell food directly to consumers as their *primary function*, meaning that annual food sales directly to consumers are of greater dollar value than annual sales to other buyers.
- **Nonprofit food facilities**, which are charitable entities that meet the terms of § 501(c)(3) of the Internal Revenue Code and that prepare or serve food directly to the consumer or otherwise provide food or meals for consumption by humans or animals in the U.S. This includes central food banks, soup kitchens, and nonprofit food delivery services.
- **Fishing vessels that do not process fish**. Such fishing vessels may engage in practices other than processing such as harvesting and transporting fish, and heading, eviscerating, or freezing fish solely to prepare the fish for holding on board the vessel.
- **Facilities regulated exclusively and throughout the entire facility by the U.S. Department of Agriculture**, that is, facilities handling only meat, poultry, or egg products.

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Whether FSMA Changed the Scope of Facilities Required to Register

At this time, the same type of food facilities that were required to register with FDA under section 415 of the FD&C Act before FSMA are required to register with FDA and renew such registrations every other year. Those facilities are domestic and foreign facilities that manufacture, process, pack, or hold food for human or animal consumption in the United States (21 CFR 1.225). As noted above, for the purposes of section 415, the term “facility” does not include, in relevant part, farms, restaurants, and retail food establishments (section 415(c)(1) of the FD&C Act; 21 CFR 1.226).

When Your Facility Must Register

The deadline to register your facility with FDA was **December 12, 2003**. Facilities that go into business after December 12, 2003, must register before they begin manufacturing/processing, packing, or holding operations.

How Often Your Facility Must Register

A food facility is required to submit an initial registration to FDA only once. Section 415(a)(3) of the FD&C Act, as amended by section 102 of FSMA, requires your facility to renew its registration with FDA every other year during the period beginning on October 1 and ending on December 31 of each even-numbered year.

However, there was a delay in FDA’s implementation of biennial registration renewal for the 2012 cycle, and registration renewal did not become available until October 22, 2012. FDA has provided guidance on its plans regarding the delay in the implementation of biennial registration renewal for the 2012 cycle in another food facility registration guidance entitled Guidance for Industry: Questions and Answers Regarding Food Facility Registration (Fifth Edition), available at

<http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodDefenseandEmergencyResponse/ucm331959.htm>.

Is a facility required to resubmit all of the registration information during the biennial renewal process?

No. FDA will provide an abbreviated biennial registration renewal process for a registrant of a facility that has not had any changes to its registration information since the registrant submitted the previous registration or registration renewal for the facility.

Who May Register

The owner, operator, or agent in charge of a facility, or an individual authorized by one of them, may register that facility.

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Foreign facilities must designate a U.S. agent, who lives or maintains a place of business in the U.S. and is physically present in the U.S., for purposes of registration. The U.S. agent may be authorized to register the facility.

What If Your Facility Fails to Register

Failure to register your facility, update required elements, or cancel registration in accordance with section 415 of the FD&C Act and applicable regulations is a prohibited act under the FD&C Act. The Federal government can bring a civil action against persons who commit a prohibited act, or it can bring a criminal action in Federal court to prosecute persons who are responsible for the commission of a prohibited act, or both.

If a foreign facility is required to register but fails to do so, food from that facility that is offered for import into the U.S. is subject to refusal. The food may be held within the port of entry, unless directed elsewhere by FDA or the Customs and Border Protection Service (CBP).

SUSPENSION OF REGISTRATION (NEW)

Can FDA suspend the registration of a food facility?

Yes. Section 415(b) of the FD&C Act, as amended by FSMA, provides that FDA may by order suspend the registration of a food facility registered under section 415 in certain circumstances.

When can FDA suspend the registration of a food facility registered under section 415 of the FD&C Act?

FDA can suspend a food facility's registration when FDA determines that:

1. Food manufactured, processed, packed, received, or held by a registered facility has a reasonable probability of causing serious adverse health consequences or death to humans or animals (SAHCODHA); and
2. A facility:
 - a. Created, caused or was otherwise responsible for that reasonable probability of SAHCODHA; or
 - b. Knew of, or had reason to know of, the reasonable probability of SAHCODHA, and packed, received, or held such food (section 415(b) of the FD&C Act).

When are registered food facilities subject to the suspension of registration provisions of section 415 of the FD&C Act?

Registered facilities became subject to the suspension of registration provisions in section 415(b) of the FD&C Act on July 3, 2011, which was 180 days after the January 4, 2011 enactment of FSMA (section 415(b)(6)(B) of the FD&C Act).

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What is the effect of an order suspending a food facility's registration?

If the registration of a food facility is suspended under section 415(b) of the FD&C Act, no person can import or export food into the United States, offer to import or export food into the United States, or otherwise introduce food into interstate or intrastate commerce in the United States from such facility (section 415(b)(4) of the FD&C Act).

Who may issue an order to suspend a food facility's registration?

The authority to issue an order to suspend a registration or to vacate an order of suspension may not be delegated by the Secretary of Health and Human Services to any officer or employee other than the FDA Commissioner (section 415(b)(7) of the FD&C Act).

If a facility's registration is suspended, does the registrant have an opportunity for an informal hearing?

FDA will provide the registrant subject to a suspension order with an opportunity for an informal hearing. If a request for a hearing is granted, the hearing must be held as soon as possible but not later than two business days after the issuance of the suspension order or at such other time period as agreed upon by FDA and the registrant. Further, the hearing will be on actions required for reinstatement of registration and why the registration that is subject to suspension should be reinstated. FDA will reinstate a registration if it determines, based on evidence presented, that adequate grounds do not exist to continue the suspension of the registration (section 415(b)(4) of the FD&C Act).

What happens if FDA determines that a suspension of registration remains necessary after providing opportunity for an informal hearing?

FDA will require the registrant subject to a suspension order to submit a corrective action plan to FDA to demonstrate how the registrant plans to correct the conditions found by FDA (section 415(b)(3)(A) of the FD&C Act).

When will FDA vacate an order suspending a food facility's registration?

FDA will vacate an order suspending a facility's registration and reinstate the registration of the facility subject to the order, if FDA determines that adequate grounds do not exist to continue the suspension actions required by the order (sections 415(b)(2) and 415(b)(3)(B) of the FD&C Act).

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REGISTERING YOUR FACILITY

How to Register Your Facility

Registrants must use Form 3537 to register, renew, or update a registration. This form is available online and in paper form. A business with multiple facilities may also register on CD-ROM.

FDA will process paper and CD-ROM submissions in the order received.

Note: FDA does not allow registration in person.

Online Registration

You can save time by registering online at <http://www.access.fda.gov/>. This web site offers online help and operates 24 hours a day, seven days a week. You can access the site wherever the Internet is available — including libraries, copy centers, schools, and Internet cafes.

An Online Registration Help Desk is available on business days, from 7:00 AM until 11:00 PM U.S. Eastern Standard Time to help you.

To Contact the Online Registration Help Desk:

By phone	WITHIN THE U.S.: Call 1-800-216-7331 or 301-575-0156 OUTSIDE THE U.S.: Call 301-575-0156
By fax	Fax questions to 301-436-2804
By email	Go to http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/RegistrationofFoodFacilities/OnlineRegistration/default.htm and complete the form

Paper Registration

If your facility does not have reasonable access to the Internet, you can request a copy of Form 3537 from FDA by mail or phone. The form can be mailed or faxed to you. Fill out the form completely and legibly and mail it to the above address, or fax it to 301-436-2804.

To Request the Form:

By mail	Write to: U.S. Food and Drug Administration Food Facility Registration HFS-681 5100 Paint Branch Parkway College Park, MD 20993 USA
By phone	Call 1-877-216-7331 or 301-575-0156 (7:00 a.m. to 11:00 p.m. U.S. Eastern Standard Time)

Note: Paper registration is less efficient than online registration. It takes longer to receive confirmation for paper registration. And, if your form contains omissions or errors, FDA will return it for corrections without registering your facility—resulting in further delay.

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CD-ROM Registration

If your business has a large number of food facilities, you may wish to submit multiple registrations on a CD-ROM by mail. You can do so, provided that each registration uses the same preferred mailing address. The CD-ROM you use must have ISO 9660 (CD-R or CD-RW) data format.

To Register by CD-ROM:

1. Go to <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/RegistrationofFoodFacilities/ucm073728.htm> and download the Portable Document Format (PDF) version of Form 3537.
2. Fill in a separate copy of the form electronically for each facility.
3. Use the same preferred mailing address for each facility.
4. Save the form for each facility under a different file name:
 - a. The file name can be up to 32 characters long.
 - b. Use the first part of the file name to identify the parent company.
5. Copy the files to a CD-ROM with ISO 9660 (CD-R or CD-RW) data format.
6. Enclose one signed copy of the certification statement that appears on the registration form (Box 13)
7. Mail the CD-ROM to:

U.S. Food and Drug Administration/Food Facility Registration
HFS-681
5100 Paint Branch Parkway
College Park, MD 20993

Note: If you send a CD-ROM that does not comply with the above specifications, FDA will return it without processing, which will delay registration.

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Information Required for Registration

FDA requires you to provide the following information for facility registration.

Required Information

- Facility name, address, phone number, and emergency contact phone number
- Parent company name, address, and phone number (if applicable)
- Name, address and phone number of the owner, operator, or agent in charge
- Email address for the contact person of the facility or, in case of a foreign facility, the U.S. Agent for the facility
- All trade names the facility uses
- Applicable food product categories, as listed on the registration form
- Name, address, and phone number of a foreign facility's U.S. agent, and phone number of the facility's emergency contact if it is someone other than the U.S. agent
- Assurance that FDA will be permitted to inspect the facility at the times and in the manner permitted by the FD&C Act
- Certification that the information submitted is true and accurate and that the person submitting it is authorized to do so

Optional Registration Information

FDA also requests optional registration information. Although you are not required by law to comply with this request, FDA encourages you to do so because such information will enable FDA to communicate more effectively with facilities that may be the target of, or otherwise affected by, a food-related emergency and such communication will benefit FDA and the registered facility.

Optional Information Requested

- Facility fax number
- Preferred mailing address, if different from that of the facility
- Fax number and email address of the owner, operator, or agent in charge of the facility
- Fax number and email address of the parent company (if applicable)
- For a foreign facility: the fax number of its U.S. agent
- Type of activity conducted at the facility (e.g., processing, packing, etc.)
- Type of storage (if it's a holding facility)
- Approximate dates of operation (if the facility's business is seasonal)

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Facility Registration Screen

Here is a sample screen from the FDA registration web site (www.access.fda.gov/).

FFRM Food Facility Registration Module | FDA FURLS Home

FFRM MAIN MENU

[Biennial Registration Renewal](#)

[Register a Food Facility](#)

[Update Facility Registration](#)

[Cancel Registration](#)

[Search Facility Registrations](#)

[Link Registration to your Account](#)

[Manage Registrations Among Accounts](#)

[Confirm Notification Receipt](#)

Form Approval: OMB No.0910-0502

Expiration date: 08/31/2013
See OMB Statement at end of form

An Agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Please Note:

The system will automatically time out if there is no activity for 30 minutes and you will need to re-do your work from the beginning.

How Registration Is Confirmed

After you register your facility, FDA will confirm the registration and assign a registration number.

If You Register...	You Will Receive Confirmation
Online	Electronically
By fax	By fax
By surface mail or CD-ROM	By surface mail

Note: Assignment of a registration number means only that the facility is registered. It does NOT convey FDA approval or endorsement of the facility or its products.

Confidentiality of Registration Information

The list of registered facilities and submitted registration documents are not subject to disclosure under the Freedom of Information Act (see section 415(a)(5) of the FD&C Act). This confidentiality does not apply to information obtained by other means or that has previously been disclosed to the public.

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How to Update Registration Information

If any of the required information on your registration form changes — for example, if there is a new operator, agent in charge, or U.S. agent — the owner, operator, or agent in charge, or an individual authorized by one of them, must notify FDA within 60 days (21 CFR 1.234(a)).

You can submit information changes online (regardless of how you originally registered), by paper, or on CD-ROM.

To Update Your Registration:	
Online	Go to http://www.access.fda.gov/ .*
By paper	Use the paper registration process described on page 11
By CD-ROM	Enter the changes on CD-ROM (see page 12)

In the case of new ownership, the former owner must cancel the facility's registration within 60 days and the new owner must register the facility before beginning operations (21 CFR 1.234(b)).

How to Cancel Registration

If your facility goes out of business or comes under new ownership, you must cancel its registration within 60 days using Form 3537a (21 CFR 1.235). You can do this electronically at <http://www.access.fda.gov/>, or you can request the form from FDA and use the paper registration process described on page xx.

FIND OUT MORE

How to Get More Information

Additional information is available at www.fda.gov/oc/bioterrorism/bioact.html and <http://www.fda.gov/Food/FoodSafety/FSMA/default.htm>.

For more details and information on the specific requirements of the facility registration regulation, please refer to the Fact Sheet on FDA's Bioterrorism Regulation and the FDA Food Safety Modernization Act: Registration of Food Facilities at <http://www.fda.gov/Food/FoodDefense/Bioterrorism/FoodFacilityRegistration/ucm081610.htm> or <http://www.fda.gov/Food/FoodSafety/FSMA/default.htm>.

* Use the PIN that was issued with your facility's registration number. If you originally registered by paper or CD-ROM, you will need to follow the online instructions to set up an account.

FDA's Food Facility Registration Regulation At-a-Glance

WHAT It Is: Domestic and foreign facilities that manufacture, process, pack, or hold food, as defined in 21 C.F.R. 1.227, for human or animal consumption in the U.S. must register with FDA *effective December 12, 2003*.

WHY It's Required: To help FDA to determine the location and source of a potential or actual bioterrorism incident or an outbreak of food-borne illness, and permit the Agency to notify quickly facilities that may be affected.

WHICH Facilities Must Register: Domestic and foreign food manufacturers/processors, packers, and storage operations that handle foods for consumption in the U.S. as defined in 21 CFR 1.227.

Examples of WHICH Foods Require Facility Registration:
<ul style="list-style-type: none">• Dietary supplements and dietary ingredients• Infant formula• Beverages (including alcoholic beverages and bottled water)• Fruits and vegetables• Fish and seafood• Dairy products and eggs• Raw agricultural commodities for use as food or components of food• Canned and frozen foods• Bakery goods, snack food, and candy (including chewing gum)• Live food animals• Food for animals (e.g., pet food, pet treats and chews, animal feed)

WHEN Facilities Must Register: Effective December 12, 2003.

WHO May Register: The owner, operator, or agent in charge of a facility, or an individual authorized by one of them, may register that facility.

Foreign facilities must designate a U.S. agent, who lives or maintains a place of business in the U.S. and is physically present in the U.S., for purposes of registration. The U.S. agent may be authorized to register the facility.

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HOW to Register:

Online	Go to http://www.access.fda.gov/ (24 hours a day, 7 days a week).
By Mail or Fax	<ol style="list-style-type: none"> 1. Request Form 3537 from FDA (1-877-332-3882). 2. Mail or fax (Fax: 301-436-2804) completed form to: U.S. Food and Drug Administration HFS-681 Fishers Lane Rockville, MD 20857 U.S.A.
On CD-ROM (For multiple facilities using the same mailing address)	<ul style="list-style-type: none"> • Download Form 3537 at http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/RegistrationofFoodFacilities/ucm073728.htm • Create separate electronic files for each facility. • Submit files on CD-ROM (ISO 9660 CD-R or CD-RW format). • Include a signed certification statement. • Mail to the above address.

Get HELP: (business days, 7:00 AM to 11:00 PM U.S. EST)

By phone	<p>WITHIN THE U.S.: Call 1-800-216-7331 or 301-575-0156</p> <p>OUTSIDE THE U.S.: Call 301-575-0156</p>
By fax	Fax questions to 301-436-2804
By email	Email questions to fdafs@fda.gov

WHAT Information is Required:

- Facility name, address, phone number and emergency contact phone number
- Parent company name, address and phone number (if applicable)
- Name, address and phone number of the owner, operator or agent in charge
- Email address for the contact person of the facility or, in case of a foreign facility, the U.S. agent for the facility
- All trade names the facility uses
- Applicable food product categories, as listed on the registration form
- Name, address, phone number and emergency contact phone number of a foreign facility's U.S. agent
- Assurance that FDA will be permitted to inspect the facility at the times and in the manner permitted by the FD&C Act
- Certification that the information submitted is true and accurate and that the person submitting it is authorized to do so

HOW Registration Is Confirmed: FDA confirms the registration either electronically (online registration) or by mail (paper or CD-ROM registration), and assigns a registration number.

WHAT IF...

If...	Then...
Required registration info changes	You must notify FDA within 60 days (online or by mail or fax).
There's a change in ownership	The former owner must cancel registration within 60 days and the new owner must re-register.
Your facility goes out of business	You must cancel registration.
A domestic facility fails to register	The Federal government can bring a civil or criminal action against the owner, operator, or agent in charge.
A foreign facility fails to register and then tries to import food into the U.S.	The food will be held at the port of entry, unless otherwise directed by FDA or CBP.

Get More Info: For more information, go to www.fda.gov/oc/bioterrorism/bioact.html

Guidance for Industry: Questions and Answers Regarding Food Allergens, including the Food Allergen Labeling and Consumer Protection Act of 2004 (Edition 4); Final Guidance

October 2006

Comments and suggestions regarding this document may be submitted at any time. Submit comments to Division of Dockets Management (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

For questions regarding this document, contact Rhonda R. Kane at the Center for Food Safety and Applied Nutrition (CFSAN) at [REDACTED] (Updated phone: 240-402-2371) or rhonda.kane@fda.hhs.gov.

*Additional copies are available from:
Office of Nutritional Products, Labeling, and Dietary Supplements, HFS-800
Center for Food Safety and Applied Nutrition
Food and Drug Administration
5100 Paint Branch Parkway
College Park, MD 20740
<http://www.cfsan.fda.gov/guidance.html>*

**U.S. Department of Health and Human Services
Food and Drug Administration
Center for Food Safety and Applied Nutrition
October 2006**

Guidance for Industry Questions and Answers Regarding Food Allergens, including the Food Allergen Labeling and Consumer Protection Act of 2004 (Edition 4)ⁱ

This guidance represents the current thinking of the Food and Drug Administration on this topic. It does not create or confer any rights for or on any person and does not operate to bind FDA or the public. An alternative approach may be used if such approach satisfies the requirements of the applicable statute and regulations. If you wish to discuss an alternative approach, contact the FDA staff responsible for implementing this guidance. If you cannot identify the appropriate FDA staff, call the telephone number listed on the title page of this document.

I. Introduction

As originally enacted in 1938, section 403(i) of the Federal Food, Drug, and Cosmetic Act required that the label of a food that is fabricated from two or more ingredients declare each ingredient by its common or usual name (except that spices, flavorings, and colors could be declared as a class.) Although ingredient declarations complying with section 403(i) provide some information to food allergic consumers, in some cases, the common or usual name of an ingredient may be unfamiliar to consumers and many consumers do not recognize that certain ingredients contain or are derived from a food allergen. This situation led, at least in part, to the enactment of the Food Allergen Labeling and Consumer Protection Act of 2004 (FALCPA) (Pub. L. 108-282).

This is a revision of the third edition of a guidance document that contains questions and answers relating to food allergens, including questions and answers about the Food Allergen Labeling and Consumer Protection Act. FDA expects to continue to issue subsequent editions of this guidance document by adding new questions and answers to the guidance; new questions and answers will be identified by the date that they are added to the guidance.

FDA's guidance documents, including this document, do not establish legally enforceable responsibilities. Instead, guidance documents describe the Agency's current thinking on a topic and should be viewed only as recommendations, unless specific regulatory or statutory requirements are cited. The use of the word *should* in Agency guidance means that something is suggested or recommended, but not required.

II. Questions and Answers

1. What is the Food Allergen Labeling and Consumer Protection Act of 2004?

The [Food Allergen Labeling and Consumer Protection Act of 2004 \(FALCPA\)](#) (Public Law 108-282) was enacted in August 2004, and addresses, among other issues, the labeling of foods that contain certain food allergens.

2. When do the labeling requirements of the Food Allergen Labeling and Consumer Protection Act (FALCPA) become effective for packaged foods sold in the United States?

All packaged foods regulated under the Federal Food, Drug, and Cosmetic Act (FFD&C Act) that are labeled on or after January 1, 2006, must comply with FALCPA's food allergen labeling requirements.

3. Must products with labels that do not comply with FALCPA be removed from the market place once the new labeling law is effective?

No. FALCPA does not require any action with respect to products labeled before January 1, 2006.

4. What is a "major food allergen?"

Under FALCPA, a "major food allergen" is an ingredient that is one of the following five foods or from one of the following three food groups or is an ingredient that contains protein derived from one of the following:

- milk
- egg
- fish
- Crustacean shellfish
- tree nuts
- wheat
- peanuts
- soybeans

5. Does FALCPA provide any specific direction for declaring the presence of ingredients from the three food groups that are designated as "major food allergens (i.e., tree nuts, fish, and Crustacean shellfish?")

Yes. FALCPA requires that in the case of tree nuts, the specific type of nut must be declared (e.g., almonds, pecans, or walnuts). The species must be declared for fish (e.g., bass, flounder, or cod) and Crustacean shellfish (crab, lobster, or shrimp).

6. Are there food allergens other than those directly addressed by FALCPA?

Congress designated eight foods or food groups as "major food allergens." These foods or food groups account for 90 percent of all food allergies. Although there are other foods to which sensitive individuals may react, the labels of packaged foods containing these other allergens are not required to be in compliance with FALCPA.

7. What types of foods are covered by the FALCPA labeling requirements?

FALCPA's requirements apply to all packaged foods sold in the U.S. that are regulated under the Federal Food, Drug, & Cosmetic Act, including both domestically manufactured and imported foods. FDA regulates all foods except meat products, poultry products, and egg products.

8. Are fresh fruits and vegetables in their natural state subject to FALCPA's requirements?

No. Raw agricultural commodities such as fresh fruits and vegetables in their natural state are not affected by FALCPA.

9. Does FALCPA affect the labeling of packaged meat, poultry, and egg products regulated by the U.S. Department of Agriculture (USDA)?

FALCPA's requirements apply only to those foods regulated by the Food and Drug Administration under the FFD&C Act. We recommend that producers of meat products, poultry products, and egg products regulated by USDA contact the appropriate USDA agency regarding the labeling of such products.

- 10. May the terms "soybean," "soy," and "soya" be considered synonyms for the term "soybeans" for the purpose of satisfying the FALCPA labeling requirements?**

Yes. "Soybean," "soy," and "soya" are reasonable synonyms for the common or usual name "soybeans," and any one of these terms may be used to identify the food source of the major food allergen "soybeans."

- 11. When is it appropriate to use the term "soybeans" versus a synonym in food labeling?**

Packaged foods that are made using soybeans as an ingredient or as a component of a multi-component ingredient (e.g., soy sauce or tofu) should continue to use the word "soybeans" as the appropriate common or usual name for this ingredient to identify properly the ingredient (e.g., "soy sauce (water, wheat, soybeans, salt)").

- 12. May the singular term "peanut" be substituted for the plural term "peanuts," and may the singular terms (e.g., almond, pecan, or walnut) be used to describe the different types of "tree nuts" (e.g., almonds, pecans, or walnuts) to satisfy the labeling requirements of FALCPA?**

Yes. FDA believes that "peanut" is an acceptable substitute for "peanuts" and that the names of the different types of tree nuts may be expressed in either the singular or plural form for the purpose of satisfying the FALCPA labeling requirements.

- 13. May a "Contains" statement on a food label provided in accordance with FALCPA list only the names of the food sources of the major food allergens that are not already identified in the ingredient list for a packaged food?**

No. If a "Contains" statement is used on a food label, the statement must include the names of the food sources of all major food allergens used as ingredients in the packaged food. For example, if "sodium caseinate," "whey," "egg yolks," and "natural peanut flavor" are declared in a product's ingredients list, any "Contains" statement appearing on the label immediately after or adjacent to that statement is required to identify all three sources of the major food allergens present (e.g., "Contains milk, egg, peanuts") in the same type (i.e., print or font) size as that used for the ingredient list..

- 14. Is there more than one way to word a "Contains" statement used to declare the major food allergens in a packaged food?**

Yes. The wording for a "Contains" statement may be limited to just stating the word "Contains" followed by the names of the food sources of all major food allergens that

either are or are contained in ingredients used to make the packaged product. Alternatively, additional wording may be used for a "Contains" statement to more accurately describe the presence of any major food allergens, provided that the following three conditions are met:

1. The word "Contains" with a capital "C" must be the first word used to begin a "Contains" statement. (The use of bolded text and punctuation within a "Contains" statement is optional.)
2. The names of the food sources of the major food allergens declared on the food label must be the same as those specified in the FALCPA, except that the names of food sources may be expressed using singular terms versus plural terms (e.g., walnut versus walnuts) and the synonyms "soy" and "soya" may be substituted for the food source name "soybeans."
3. If included on a food label, the "Contains" statement must identify the names of the food sources for all major food allergens that either are in the food or are contained in ingredients of the food.

15. Is there a penalty for non-compliance with FALCPA?

Yes. A company and its management may be subject to civil sanctions, criminal penalties, or both under the Federal Food, Drug, and Cosmetic Act if one of its packaged food products does not comply with the FALCPA labeling requirements. FDA may also request seizure of food products where the label of the product does not conform to FALCPA's requirements. In addition, FDA is likely to request that a food product containing an undeclared allergen be recalled by the manufacturer or distributor.

16. Does FALCPA require food manufacturers to label their products with advisory statements, such as "may contain [allergen]" or "processed in a facility that also processes [allergen]"?

No. FALCPA does not address the use of advisory labeling, including statements describing the potential presence of unintentional ingredients in food products resulting from the food manufacturing process. FALCPA does require FDA to submit a report to Congress, a part of which assesses the use of, and consumer preferences about, advisory labeling. In earlier guidance, FDA advised that advisory labeling such as "may contain [allergen]" should not be used as a substitute for adherence to current Good Manufacturing Practices (cGMPs). In addition, any advisory statement such as "may contain [allergen]" must be truthful and not misleading.

17. Does FALCPA require FDA to set so-called thresholds for any food allergen?

FALCPA does not require FDA to establish a threshold level for any food allergen. It is not unlikely, however, that FDA will at some point need to consider a threshold level for one or more food allergens in the context of reviewing a petition or a notification submitted to request that an ingredient be exempt from FALCPA's labeling requirements.

18. [Added December, 2005] Is a major food allergen that has been unintentionally added to a food as the result of cross-contact subject to FALCPA's labeling requirements?

No. FALCPA's labeling requirements do not apply to major food allergens that are unintentionally added to a food as the result of cross-contact. In the context of food allergens, "cross-contact " occurs when a residue or other trace amount of an allergenic food is unintentionally incorporated into another food that is not intended to contain that allergenic food. Cross-contact may result from customary methods of growing and harvesting crops, as well as from the use of shared storage, transportation, or production equipment.

19. [Added April, 2006] What information has been added to the 2005 FDA Food Code related to food allergens?

FDA's Food Code is a model code available for adoption by local, state, and other jurisdictions to apply to all food establishments at the retail level that provide food directly to consumers, including: restaurants, grocery stores, supermarkets, hospitals, nursing homes, child care centers, and temporary food establishments.

The following new food allergen information has been added to the 2005 Food Code:

- A definition of "major food allergen," which is consistent with the definition in the Food Allergen Labeling and Consumer Protection Act of 2004 (FALCPA) [Paragraph 1-201.10(B)].
- A new provision under Demonstration of Knowledge [Subparagraph 2-102.11(C)(9)] specifying that the person in charge of a food establishment shall have an understanding of the foods identified as major food allergens and the symptoms that a major food allergen could cause in a sensitive individual. This additional element is significant because nationally recognized certifiers of food managers who provide training and testing of such managers consult these elements when the certifiers routinely upgrade their training and testing programs.
- Integration of FALCPA's labeling provisions to reflect the additional requirements that apply to food that is packaged at the retail level [Subparagraph 3-602.11(B)(5)].
- Additional background information on food allergens in Annex 4, including common characteristics of a food allergic response and detailed information regarding the requirements of FALCPA.

20. [Added April, 2006] Do retail and foodservice establishments have to comply with FALCPA's labeling requirements?

FALCPA's labeling requirements extend to foods packaged by a retail or foodservice establishment that are offered for human consumption. However, FALCPA's labeling requirements do not apply to foods provided by a retail food establishment that are placed in a wrapper or container in response to a consumer's order - such as the paper or box used to convey a sandwich that has been prepared in response to a consumer's order.

21. [Added April, 2006] Do the FALCPA requirements apply regardless of whether a jurisdiction has adopted the 2005 FDA Food Code?

Yes. Although the 2005 FDA Food Code contains provisions to integrate FALCPA's requirements into the model code as well as additional food allergen information in its Annexes, FALCPA is a federal law that amends the Federal Food, Drug, & Cosmetic Act (FFDCA). Thus, regardless of whether a jurisdiction has adopted the 2005 Food Code, FALCPA's requirements apply to all packaged foods in interstate commerce, both domestically manufactured and imported, sold in the U.S. that are regulated under the FFDCA. FDA regulates all foods except meat products, poultry products, and certain egg products. FALCPA is specifically preemptive, which means that other governmental entities (such as those at the state or local level) may not adopt labeling requirements that are different from those in FALCPA.

22. [Added April, 2006] Does FALCPA address the use of advisory labeling (such as "may contain") by a retail or food service establishment?

No. FALCPA does not address the use of advisory labeling, including statements describing the potential presence of unintentional ingredients in food products resulting from the manufacturing of the ingredients or the preparation and packaging of the food in a retail or food service establishment. All food labeling, including advisory labeling, must be truthful and not misleading. See FDA's 1996 [Notice to Manufacturers](#).

23. [Added April, 2006] Are molluscan shellfish considered a major food allergen under FALCPA?

No. Under FALCPA, Crustacean shellfish (such as crab, lobster, or shrimp), and ingredients that contain protein derived from Crustacean shellfish, are major food allergens, but molluscan shellfish (such as oysters, clams, mussels, or scallops) are not.

24. [Added April, 2006] Does FDA intend to issue additional guidance for retail and foodservice establishments on the proper handling of food allergens?

As stipulated in FALCPA, FDA is engaged in an on-going effort to work with the Conference for Food Protection on the development of guidelines for retail and foodservice establishments on the proper handling and labeling of food allergens.

25. [Added October, 2006] Section 201(qq) of the Act defines the term "major food allergen" to include "tree nuts." In addition to the three examples provided in section 201(qq) (almonds, pecans, and walnuts), what nuts are considered "tree nuts?"


The following are considered "tree nuts" for purposes of section 201(qq). The name listed as "common or usual name" should be used to declare the specific type of nut as required by section 403(w)(2).

Common or usual name	Scientific name
Almond	<i>Prunus dulcis</i> (Rosaceae)
Beech nut	<i>Fagus</i> spp. (Fagaceae)
Brazil nut	<i>Bertholletia excelsa</i> (Lecythidaceae)
Butternut	<i>Juglans cinerea</i> (Juglandaceae)
Cashew	<i>Anacardium occidentale</i> (Anacardiaceae)
Chestnut (Chinese, American, European, Seguin)	<i>Castanea</i> spp. (Fagaceae)
Chinquapin	<i>Castanea pumila</i> (Fagaceae)
Coconut	<i>Cocos nucifera</i> L. (Arecaceae (alt. Palmae))
Filbert/hazelnut	<i>Corylus</i> spp. (Betulaceae)
Ginko nut	<i>Ginkgo biloba</i> L. (Ginkgoaceae)
Hickory nut	<i>Carya</i> spp. (Juglandaceae)
Lichee nut	<i>Litchi chinensis</i> Sonn. Sapindaceae
Macadamia nut/Bush nut	<i>Macadamia</i> spp. (Proteaceae)
Pecan	<i>Carya illinoensis</i> (Juglandaceae)
Pine nut/Pinon nut	<i>Pinus</i> spp. (Pineaceae)
Pili nut	<i>Canarium ovatum</i> Engl. in A. DC. (Burseraceae)
Pistachio	<i>Pistacia vera</i> L. (Anacardiaceae)
Sheanut	<i>Vitellaria paradoxa</i> C.F. Gaertn. (Sapotaceae)
Walnut (English, Persian, Black, Japanese, California), Heartnut, Butternut	<i>Juglans</i> spp. (Juglandaceae)

The foregoing list reflects FDA's current best judgment as to those nuts that are "tree nuts" within the meaning of section 201(qq). In order to be comprehensive, this list employs broad scientific categories that may include a species that currently has no food use. The fact that a species falls within a scientific category on this list does not mean that

the species is appropriate for food use. FDA further advises that, as with any guidance, the list may be revised consistent with the process for revising guidance documents in our regulation on good guidance practices in 21 CFR 10.115.

26. **[Added October, 2006] Under section 403(w)(1), a major food allergen must be declared using the name of the food source from which the major food allergen is derived. Section 403(w)(2) provides that, in the case of fish or Crustacean shellfish, the term "name of the food source from which the major food allergen is derived" means the "species" of fish or Crustacean shellfish. What is the "species" of fish or Crustacean shellfish for purposes of section 403(w)(2)?**

A declaration of the "species" of fish or Crustacean shellfish for purposes of complying with section 403(w)(2) should be made using the acceptable market name provided in FDA's Seafood List. FDA's Seafood List is a compilation of existing acceptable market names for imported and domestically available seafood. The list is available at  (Updated web reference: [The Seafood List](#)).

27. **[Added October, 2006] Section 201(qq) includes "wheat" in the definition of major food allergen. What is considered "wheat" for purposes of section 201(qq)?**

The term "wheat" in section 201(qq) means any species in the genus *Triticum*. Thus, for the purposes of section 201(qq), wheat would include grains such as common wheat (*Triticum aestivum* L.), durum wheat (*Triticum durum* Desf.), club wheat (*Triticum compactum* Host.), spelt (*Triticum spelta* L.), semolina (*Triticum durum* Desf.), Einkorn (*Triticum monococcum* L. subsp. *monococcum*), emmer (*Triticum turgidum* L. subsp. *dicoccon* (Schrank) Thell.), kamut (*Triticum polonicum* L.), and triticale (*x Triticosecale* ssp. Wittm.).

28. **[Added October, 2006] Are single ingredient foods required to comply with section 403(w)(1)?**

Yes. Single ingredient foods must comply with the allergen declaration requirements in section 403(w)(1). A single ingredient food that is, or contains protein derived from milk, egg, fish, Crustacean shellfish, tree nuts, wheat, peanuts, or soybeans, may identify the food source in the name of the food (e.g., "all-purpose wheat flour") or use the "Contains" statement format. FDA recommends that if a "Contains" statement format is used, the statement be placed immediately above the manufacturer, packer, or distributor statement. For single ingredient foods intended for further manufacturing where the "Contains" statement format is used, the statement should be placed on the principal display panel of the food.

ⁱ This is a revision of the third edition of the FDA guidance "Questions and Answers Regarding Food Allergens, including the Food Allergen Labeling and Consumer Protection Act of 2004," which FDA issued on April 6, 2006.

7. Nutrition Labeling; Questions G1 through P8

October 2009

Guidance for Industry: A Food Labeling Guide

Contains Nonbinding Recommendations

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General

G1. Where should the Nutrition Facts label be placed on food packages?

Answer: The Nutrition Facts label may be placed together with the ingredient list and the name and address (name and address of the manufacturer, packer, or distributor) on the PDP. These three label statements also may be placed on the information panel (the label panel adjacent and to the right of the PDP, or, if there is insufficient space on the adjacent panel, on the next adjacent panel to the right). On packages with insufficient area on the PDP and information panel, the Nutrition Facts label may be placed on any alternate panel that can be seen by the consumer. 21 CFR 101.2(b) & (e) & 101.9(i)

G2. Is it necessary to use a nutrition display with a box shape on a round package?

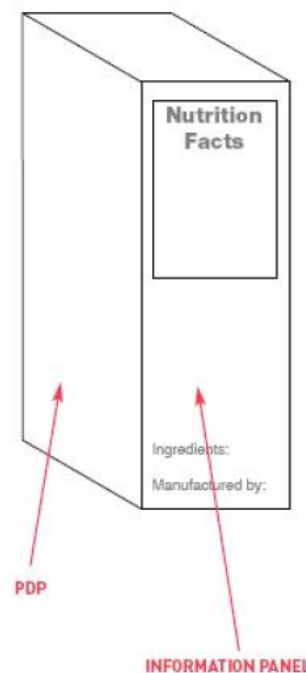
Answer: Yes. Even when using the tabular display, the nutrition information must be set off in a box. 21 CFR 101.9(d)(1)(i)

G3. Can the product name be placed within the Nutrition Facts label?

Answer: No. The name may be placed above the box that encloses the nutrition information. 21 CFR 101.9(c) & (d)

G4. Can the Nutrition Facts label be oriented perpendicularly as opposed to parallel, to the base of the package?

Answer: Yes. There is no requirement that any information, other than the net quantity of contents and statement of identity, be printed parallel to the base of the package. However, FDA urges manufacturers to strive for consistency of presentation of nutrition information in the market and to place the Nutrition Facts label so that it is readily observable and legible to the consumer at the point of purchase.



G5. Is a break in the vertical alignment allowed with the standard format?

Answer: Yes. The vertical format may be broken in either of the following ways: (1) placement of the footnote to the right of the panel as shown in the example in 21 CFR 101.9(d)(11) or (2) all vitamins and minerals that are listed voluntarily (i.e., after iron) may be moved to the top right of the panel along with the footnote. 21 CFR 101.9(d)(11)

Nutrient Declaration

N1. Are Nutrition Facts labels required on all foods?

Answer: The Nutrition Facts label (an example is illustrated in section 7 L2) is required on most food packages labeled. The illustration indicates FDA's typeface and style to help assure readability and conspicuousness. Not all of these type specifications are required. The mandatory type specifications are listed in 21 CFR 101.9(d). Unlike the illustrative examples in this guidance, (1) Any legible type style may be used, not just Helvetica, (2) The heading Nutrition Facts must be the largest type size in the nutrition label (i.e., it must be larger than 8-point, but does not need to be 13-point) and should extend the width of the Nutrition Facts box, and (3) There is no specific thickness required for the three bars that separate the central sections of the nutrition label. 21 CFR 101.9(a) and 21 CFR 101.9(a)(1)

Below are listed categories providing exemptions or special provisions for nutrition labeling. Generally, a food package loses those exemptions, if a nutrition claim is made or nutrition information is provided:

Summary of Exemption	Regulation #
*Manufactured by small businesses	21 CFR 101.9(j)(1) and 101.9(j)(18)
*Food served in restaurants, etc. or delivered to homes ready for immediate consumption	21 CFR 101.9(j)(2)
*Delicatessen-type food, bakery products and confections that are sold directly to consumers from the location where prepared	21 CFR 101.9(j)(3)
*Foods that provide no significant nutrition such as instant coffee (plain, unsweetened) and most spices	21 CFR 101.9(j)(4)
Infant formula, and infant and junior foods for children up to 4 years of age (modified label provisions for these categories)	21 CFR 101.9(j)(5) and 101.9(j)(7)
Dietary supplements (must comply with 21 CFR 101.36)	21 CFR 101.9(j)(6)
Medical foods	21 CFR 101.9(j)(8)
Bulk foods shipped for further processing or packaging before retail sale	21 CFR 101.9(j)(9)
Fresh produce and seafood (a voluntary nutrition labeling program covers these foods through the use of the appropriate means such as shelf labels, signs, and posters)	21 CFR 101.9(j)(10) and 101.45
Packaged single-ingredient fish or game meat may be labeled on basis of 3-ounce cooked portion (as	21 CFR 101.9(j)(11)

prepared). Custom-processed fish and game are exempt from nutrition labeling.	
Certain egg cartons (nutrition information inside lid or on insert in carton)	21 CFR 101.9(j)(14)
Packages labeled "This unit not labeled for retail sale" within multiunit package, and outer wrapper bears all required label statements	21 CFR 101.9(j)(15)
Self-service bulk foods--nutrition labeling by placard, or on original container displayed clearly in view	21 CFR 101.9(a)(2) and 101.9(j)(16)
Donated food that is given free (not sold) to the consumer.	You are not required to put Nutrition Facts labels on donated food unless the donated food is later placed on sale (the law applies only to food that is "offered for sale") -- 21 CFR 101.9(a)
Game meats may provide required nutrition information or labeling in accordance with 21 CFR 101.9(a)(2) .	21 CFR 101.9(j)(12)

N2. Are nutrition designations permitted on food package labels?

Answer: FDA considers information that is required or permitted in the Nutrition Facts label that is on the front label or elsewhere on the package outside the Nutrition Facts label to be a Nutrient Content Claim (NCC). In such cases, the package label must comply with the regulations for nutrient content claims. See the NCC section and Appendices A and B of this document for more information. [21 CFR 101.13\(c\)](#)

N3. What other nutrients can be declared on the Nutrition Facts label?

Answer: In addition to the nutrients shown on the label in section 7 L2 manufacturers may add calories from saturated fat, polyunsaturated fat, monounsaturated fat, potassium, soluble and insoluble fiber, sugar alcohol, other carbohydrate, vitamins and minerals for which Reference Daily Intake (RDI's) have been established, or the percent of vitamin A that is present as beta-carotene. [21 CFR 101.9\(c\)](#)

N4. Is there a restriction against certain nutrients in the Nutrition Facts label?

Answer: Only those nutrients listed in FDA's nutrition regulations, as mandatory or voluntary components of the nutrition label, may be included in the Nutrition Facts label. [21 CFR 101.9\(c\)](#)

N5. When must voluntary nutrients be listed?

Answer: In addition to the nutrients shown on the sample labels in this guidance, other nutrients (listed in FDA's regulations, e.g., thiamin) must be included in a food's Nutrition Facts label if the nutrients are added as a nutrient supplement to the food, if the label makes a nutrition claim (such as a NCC) about them, or if advertising or product literature provides information connecting the nutrients to the food. [21 CFR 101.9\(a\)](#), [21 CFR 101.9\(c\)](#), [21 CFR 101.9\(c\)\(8\)\(ii\)](#)

N6. When should the vitamins and minerals in flour be listed on the Nutrition Facts label?

Answer: Generally, FDA only requires that the label declare the vitamins A and C, and the minerals calcium and iron. The other enrichment vitamins and minerals must be declared when they are added directly to the packaged food (e.g., enriched bread), but not when the enriched product is added as an ingredient to another food. NOTE: It is necessary to declare the other vitamins and minerals in the ingredient list. However, if unenriched flour is used, and the enrichment nutrients are added separately, those nutrients (i.e., thiamin, riboflavin, niacin, and folic acid) would have to be declared on the Nutrition Facts label. 21 CFR 101.9(c)(8)(ii)(A)-(B) and 21 CFR 101.9(c)(8)(iv)

N7. When the caloric value for a serving of a food is less than 5 calories, can the actual caloric value be declared?

Answer: The caloric value of a product containing less than 5 calories may be expressed as zero or to the nearest 5 calorie increment (i.e., zero or 5 depending on the level). Foods with less than 5 calories meet the definition of “calorie free” and any differences are dietarily insignificant. 21 CFR 101.9(c)(1)

N8. Should a value of 47 calories be rounded up to 50 calories or rounded down to 45 calories?

Answer: Calories must be shown as follows:

50 calories or less--Round to nearest 5-calorie increment: Example: Round 47 calories to “45 calories”
Above 50 calories--Round to nearest 10-calorie increment: Example: Round 96 calories to “100 calories”
21 CFR 101.9(c)(1) Also see Appendix H for rounding guidelines.

N9. How are calories from alcohol to be calculated?

Answer: Calories from alcohol may be calculated using specific Atwater factors as provided for in 21 CFR 101.9(c)(1)(i)(A). USDA Handbook No. 74 provides a specific food factor of 7.07 calories per gram of alcohol.

N10. What is total fat?

Answer: To determine the total fat content of a food, add the weight in grams of all lipid fatty acids in the food (e.g., lauric, palmitic, stearic fatty acids) and express as triglycerides. Total fat = Weight of all individual fatty acids + weight of one unit of glycerol for each three fatty acids. 21 CFR 101.9(c)(2)

N11. Does total fat, which is defined as total lipid fatty acid expressed as triglycerides, include cholesterol?

Answer: No.

N12. The total fat content for a serving of my product is 0.1 g. How should I declare fat and calories from fat?

Answer: Because it is present at a level below 0.5 g, the level of fat is expressed as 0 g. Calories from fat would also be expressed as zero. 21 CFR 101.9(c)(1)(i), 21 CFR 101.9(c)(2)

N13. What fractions are used for total fat on the Nutrition Facts label?

Answer: Below 0.5 grams total fat per serving: Use the declaration 0 grams for total fat. 0.5 grams to 5 grams total fat:

Use 0.5 gram increments rounded to the nearest 1/2 gram.

Examples: 0.5 g, 1 g, 1.5 g, 2 g, 2.5 g, 3 g, 3.5 g, 4 g, 4.5 g, 5 g

Above 5 grams: Use 1 gram increments rounded to the nearest 1 gram (do not use fractions above 5 grams).

Examples: 5 g, 6 g, 7 g, etc.

N14. What values are used for calculating Daily Values for the nutrition label?

Answer: See Appendix F: Calculate the percent daily value (DV) for the appropriate nutrients and Appendix G: Daily Values for Infants, Children Less Than 4 Years of Age, and Pregnant and Lactating Women. 21 CFR 101.9(c)(8)(iv) & (c)(9)

N15. When less than 0.5 grams of dietary fiber or saturated fat is present in a serving of a product, the amounts would be shown as zero on the label. However, when the % DV is calculated based on an actual unrounded fiber or saturated fat content of 0.2 grams per serving, the calculation yields 1 percent. To avoid consumer confusion can the % DV be expressed as zero in these cases?

Answer: Yes. Section 101.9(d)(7)(ii) permits the percent Daily Value to be calculated by dividing either the amount declared on the label for each nutrient or the actual amount of each nutrient (i.e., before rounding) by the Daily Reference Value (DRV) for that nutrient except that the percent for protein must be calculated as specified in 21 CFR 101.9(c)(7)(ii). As a result of this change, whenever a declared quantitative amount is zero, the declared percent Daily Value will also be zero.

N16. How is total carbohydrate calculated?

Answer: Total carbohydrate is calculated by subtracting the weight of crude protein, total fat, moisture, and ash from the total weight ("wet weight") of the sample of food. 21 CFR 101.9(c)(6)

N17. Does total carbohydrate include dietary fiber?

Answer: Yes. Dietary fiber must be listed as a subcomponent under total carbohydrate. 21 CFR 101.9(c)(6)

N18. What is meant by sugars on the Nutrition Facts label?

Answer: To calculate sugars for the Nutrition Facts label, determine the weight in grams of all free monosaccharides and disaccharides in the sample of food. The other nutrients declared on the nutrition label are defined in 21 CFR 101.9(c). 21 CFR 101.9(c)(6)(ii)

N19. I have 0.8 grams of fiber in a serving of food. Can I round this up to 1 g, or must I use the statement "less than 1 g?" Can I do the same thing for protein?

Answer: Since this serving contains less than 1 gram of dietary fiber per serving, fiber is to be expressed as "Less than 1 gram" or "Contains less than 1 gram," or the manufacturer has the option to not list dietary fiber and include the following statement at the bottom of the table of nutrients: "Not a significant source of dietary fiber." Protein can be

expressed to the nearest whole gram (i.e., 1 g); or the label can state “less than 1 gram” or “Contains less than 1 gram.” The “<” symbol may be used in place of the words “less than” (21 CFR 101.9(d)(7)(i)). 21 CFR 101.9(c)(6)(i), 21 CFR 101.9(c)(7)

N20. Under what circumstances is the listing of sugar alcohol required?

Answer: When a claim is made on the label or in labeling about sugar alcohol or sugars when sugar alcohols are present in the food 21 CFR 101.9(c)(6)(iii).

N21. What DRV's and RDI's are established for protein for the purpose of listing protein as a percent of Daily Value (% DV)?

Answer: The DRV for protein for adults and children 4 or more years of age is 50 grams. The RDIs for protein for children less than 4 years of age, infants, pregnant women, and lactating women are established at 16 grams, 14 grams, 60 grams, and 65 grams respectively. 21 CFR 101.9(c)(7)(iii)

N22. Why is the declaration of the DRV for protein not mandatory?

Answer: The percent of the DRV is required if a protein claim is made for the product or if the product is represented or purported to be for use by infants or children under 4 years of age. Based on current scientific evidence that protein intake is not a public health concern for adults and children over 4 years of age, and because of the costs associated with a determination of the Protein Digestibility Corrected Amino Acid Score (PDCAAS), FDA has determined that declaration of the percent of the DRV for protein need not be provided when a claim is not made.

N23. How should the % DV for protein be expressed when it is provided on labeling of foods for adults and children over four?

Answer: When protein is listed as a percent of the 50 gram DRV and expressed as % DV, the % DV is calculated by correcting the actual amount of protein in grams per serving by multiplying the amount by its amino acid score corrected for protein digestibility, dividing by 50 grams, and converting to percent. 21 CFR 101.9(c)(7)(ii)

N24. When % DV's for protein and potassium are included on the Nutrition Facts label on foods for adults and children over 4 years, where in the footnote is the DRV information to be placed?

Answer: Protein should be listed in the footnote under dietary fiber with the DRV inserted on the same line in the numeric columns. The DRV for protein is based on 10 percent of calories as protein, which equates to 50 grams for a 2,000 calorie diet and 65 grams (62.5 rounded up to 65) for a 2,500 calorie diet. Similarly, potassium would be listed in the footnote under sodium. The DRV for potassium is 3,500 milligrams for both the 2,000 and 2,500 calorie diets. 21 CFR 101.9(d)(9)

N25. How do I determine what values to declare on the Nutrition Facts label?

Answer: The nutrient values declared on the Nutrition Facts label are based on the nutrient profile of the product, as packaged, rounded as required by regulation. Rounding rules are provided in 21 CFR 101.9(c) and summarized in Appendix H.

N26. How should vitamins and minerals that are permitted to be listed voluntarily be listed?

Answer: If potassium is listed, it should be listed in bold type directly under sodium. Voluntary vitamins and minerals (i.e., those other than vitamin A, Vitamin C, Calcium, and Iron), should be declared horizontally or vertically following the required vitamins and minerals in the order listed in 21 CFR 101.9(c)(8)(iv), 21 CFR 101.9(c)(5) and 21 CFR 101.9(d)(8)

N27. Is it legal to declare 400% of the Daily Value for a vitamin?

Answer: Yes. The percent Daily Value is based on the amount of the nutrient present in the product.

N28. Can information about nutrients that do not have an RDI/DRV such as boron and omega-3 fatty acids be provided on the food label?

Answer: Yes, provided that the information is truthful and not misleading and is provided outside the Nutrition Facts label. Such information is limited to statements of amount or percent of a nutrient (eg, 300 mg omega 3) and may not characterize the level of the nutrient (you may not state "High in Omega-3"). 21 CFR 101.13(i)(3)

N29. Would a dry mix product such as flavored rice be required to provide nutrition information for both the product as packaged and as prepared?

Answer: Only the nutritional properties of the product as packaged is required. However, nutritional information may be voluntarily presented "as prepared" as provided for in 21 CFR 101.9(h)(4), 21 CFR 101.9(e)

N30. Can I use "average" values derived from data bases to determine the nutrient content of my product?

Answer: FDA has not stated how a company should determine the nutrient content of their product for labeling purposes. Therefore, there is no prohibition from using "average" values for its product derived from data bases if a manufacturer is confident that the values obtained meet FDA's compliance criteria. Regardless of its source, a company is responsible for the accuracy and the compliance of the information presented on the label. Use of a data base that has been accepted by FDA affords a firm some measure of security in that the agency has stated that it will work with industry to resolve any compliance problems that might arise for food labeled on the basis of a data base that the agency has accepted. A manual entitled *FDA Nutrition Labeling Manual: A Guide for Developing and Using Databases* is available online.

N31. How many samples of each product should we analyze for nutrition labeling?

Answer: FDA has not defined the number of samples that must be analyzed. It is the responsibility of the manufacturer/packer/distributor to determine the variability of their product(s) and the number of samples needed to provide accurate nutrient data. The *FDA Nutrition Labeling Manual: A Guide for Developing and Using Databases*, available from FDA, may be of assistance in this area. FDA will use a composite of 12 units when performing enforcement analyses. 21 CFR 101.9(g)

N32. May I copy my competitor's label?

Answer: Firms are responsible for the accuracy of the Nutrition Facts label and there is no assurance that the data from

a competitor's product is valid for another product. Products of a similar nature are not necessarily equivalent in ingredients and nutrient value. If FDA found a product to be out of compliance because a firm merely copied its competitor's label, the firm would be hard pressed to prove that they labeled the product "in good faith."

N33. Will FDA analyze my products and send me a report to use for my nutrition label?

Answer: No. FDA does not have the resources to analyze products upon request. However, FDA will collect surveillance samples to monitor the accuracy of nutrition information. The manufacturer, packer or distributor would be advised of any analytical results that are not in compliance. Additionally, depending on circumstances, FDA may initiate regulatory action.

N34. Does FDA provide data base information to industry?

Answer: No. FDA will review and accept industry data bases which remain the property of the organization that developed and submitted the data.

N35. Can FDA recommend an analytical laboratory and must a laboratory be approved to perform nutrient analysis?

Answer: FDA does not approve, and is not in a position to endorse or recommend, specific laboratories. Assistance may be available through the following sources: trade and professional associations, trade publications, colleges and universities, and by looking in local phone books under testing or analytical laboratories. For compliance purposes FDA uses appropriate methods published by the Association of Analytical Chemists (AOAC) in Official Methods of Analysis of the AOAC International, 18th edition (2005) or other methods as needed. You may wish to ascertain if the laboratory is familiar with these methodologies when selecting a laboratory.

N36. How many samples must be analyzed to determine the nutrient levels for a product?

Answer: The number of samples to analyze for each nutrient is determined by the variability of each nutrient in a food. Fewer analytical samples are generally required for nutrients that are less variable. The variables that affect nutrient levels should be determined, and a sampling plan should be developed to encompass these variables.

N37. Is there a problem with using ingredient composition data bases to calculate the values for nutrition labeling?

Answer: If manufacturers choose to use ingredient data bases, they should be assured of the accuracy of the databases and validate the resulting calculations by comparing them with values for the same foods obtained from laboratory analyses. Manufacturers are responsible for the accuracy of the nutrition labeling values on their products. Although FDA specifies the laboratory methods that will be used to evaluate the accuracy of the labeled products, FDA does not specify acceptable sources for the labeled values.

General

L1. How large must the Nutrition Facts label be?

Answer: There are no specific size requirements for the nutrition label. However, the “Nutrition Facts” heading must be in a type size larger than all other print size in the nutrition label and generally set the full width of the nutrition facts label (21 CFR 101.9(d)(2)). Minimum type sizes of 6 point and 8 point are required for the other information in the nutrition label (21 CFR 101.9(d)(1)(iii)), and there are minimum spacing requirements between lines of text (21 CFR 101.9(d)(1)(ii)(C)).

L2. What are the minimum type sizes and other format requirements for the Nutrition Facts label?

Answer: The illustration below indicates an example of the graphics FDA uses to display the Nutrition Facts label.

Format requirements are specified in 21 CFR 101.9(d).

The diagram shows a Nutrition Facts label with various callouts pointing to specific elements and their formatting requirements:

- Nutrition Facts**: Franklin Gothic Heavy or Helvetica Black, flush left & flush right, no smaller than 13 point.
- Serving Size 1 cup (228g)**: Helvetica Regular 8 point with 1 point of leading.
- Servings Per Container 2**: Helvetica Regular 8 point with 1 point of leading.
- Amount Per Serving**: 7 point rule.
- Calories 260**: 3 point rule.
- Calories from Fat 120**: 7 point rule.
- % Daily Value***: 6 point Helvetica Black.
- Total Fat 13g**: 8 point Helvetica Black with 4 points of leading.
- Saturated Fat 5g**: 8 point Helvetica Black with 4 points of leading.
- Trans Fat 2g**: 8 point Helvetica Black with 4 points of leading.
- Cholesterol 30mg**: 1/4 point rule centered between nutrients (2 points leading above and 2 points below).
- Sodium 680mg**: 1/4 point rule centered between nutrients (2 points leading above and 2 points below).
- Total Carbohydrate 31g**: 1/4 point rule centered between nutrients (2 points leading above and 2 points below).
- Dietary Fiber 0g**: 1/4 point rule centered between nutrients (2 points leading above and 2 points below).
- Sugars 5g**: 1/4 point rule centered between nutrients (2 points leading above and 2 points below).
- Protein 5g**: 1/4 point rule centered between nutrients (2 points leading above and 2 points below).
- Vitamin A 4%**: 8 point Helvetica Regular with 4 points of leading.
- Vitamin C 2%**: 8 point Helvetica Regular with 4 points of leading.
- Calcium 16%**: 8 point Helvetica Regular with 4 points of leading.
- Iron 4%**: 8 point Helvetica Regular with 4 points of leading.
- *Percent Daily Values are based on a diet of other people's misdeeds.**: Type below vitamins and minerals (footnotes) is 6 point with 1 point of leading.
- Footnote table**: 6 point Helvetica Regular with 1 point of leading.

	Calories	2,000	2,500
Total Fat	Less than	85g	80g
Sat Fat	Less than	30g	35g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate	Less than	300g	375g
Dietary Fiber	Less than	25g	30g

Overall

Nutrition Facts label is boxed with all black or one color type printed on a white or neutral background

Typeface and Size

1. The Nutrition Facts label uses 6 point or larger Helvetica Black and/or Helvetica Regular type. In order to fit some formats the typography may be kerned as much as -4 (tighter kerning reduces legibility).
2. Key nutrients & their % Daily Value are set in 8 point Helvetica Black (but “%” is set in Helvetica Regular).
3. Nutrition Facts is set in either Franklin Gothic Heavy or Helvetica Black to fit the width of the label flush left and flush right.
4. Serving Size and Servings per container are set in 8 point Helvetica Regular with 1 point of leading.
5. The table labels (for example, “Amount per Serving”) are set in 6 point Helvetica Black.
6. Absolute measures of nutrient content (for example, “1g”) and nutrient subgroups are set in 8 point Helvetica Regular with 4 points of leading.
7. Vitamins and minerals are set in 8 point Helvetica Regular, with 4 points of leading, separated by 10 point bullets.
8. All type that appears under vitamins and minerals is set in 6 point Helvetica Regular with 1 point of leading.

Rules

1. A 7 point rule separates large groupings as shown in the example. A 3 point rule separates calorie information from the nutrient information.
2. A hairline rule or 1/4 point rule separates individual nutrients, as shown in the example. The top half of the label (nutrient information) has 2 points of leading between the type and the rules, the bottom half of the label (footnotes) has 1 point of leading between the type and the rules.

Small Business Nutrition Labeling Exemption

The Federal Food, Drug, and Cosmetic Act requires packaged foods and dietary supplements to bear nutrition labeling unless they qualify for an exemption ([A complete description of the requirements](#)¹). One exemption, for low-volume products, applies if the person claiming the exemption employs fewer than an average of 100 full-time equivalent employees and fewer than 100,000 units of that product are sold in the United States in a 12-month period. To qualify for this exemption the person must file a notice annually with FDA. Note that low volume products that bear nutrition claims do not qualify for an exemption of this type.

Another type of exemption applies to retailers with annual gross sales of not more than \$500,000, or with annual gross sales of foods or dietary supplements to consumers of not more than \$50,000. For these exemptions, a notice does not need to be filed with the Food and Drug Administration (FDA).

On May 7, 2007, the Food and Drug Administration (FDA) launched a new web-based submission process for small businesses to file an annual notice of exemption from the nutrition labeling requirements. The new process will make it easier for businesses to update their information. In addition, firms eligible for the exemption will receive an electronic reminder when it is time to resubmit their nutrition labeling small business exemption notice.

Online Submissions

Firms that wish to submit an exemption notice using the Internet can go to the [Web based Submission](#)²

Paper Submissions

FDA will still continue to accept notices filed by mail, or fax of the [Small Business Nutrition Labeling Exemption Notice Model Form](#)³.

Additional Resources

[Firms That Have Filed for a Small Business Nutrition Labeling Exemption](#)⁴

[Small Business Nutrition Labeling Exemption Guidance](#)⁵

The maple producer who is wholesaling in retail containers to a larger business, it is the size of the business that is retailing the products that must be eligible for the exemption not the wholesaler.

MAPLE SYRUP - SINGLE SERVE - Standa

Nutrition Facts

Serving Size 4 TBSP (60 mL)

Servings Per Container 1

Amount Per Serving

Calories 210 Calories from Fat 0

% Daily Value*

Total Fat 0g 0%

Saturated Fat 0g 0%

Trans Fat 0g

Polyunsaturated Fat 0g

Monounsaturated Fat 0g

Cholesterol 0mg 0%

Sodium 5mg 0%

Total Carbohydrate 54g 18%

Dietary Fiber 0g 0%

Sugars 48g

Other Carbohydrate 0g

Protein 0g

Vitamin A 0% • Vitamin C 0%

Calcium 6% • Iron 6%

*Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:

Calories:		2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Potassium	Less than	3,500mg	3,500mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g
Protein		50g	65g

Calories per gram:

Fat 9 • Carbohydrate 4 • Protein 4

*Percent Daily Values are based on a 2,000 calorie diet.

Important Notice

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Such information is not intended to comply with FDA/USDA or other regulations governing food safety labels. The product manufacturer is responsible for insuring the accuracy of the final data and for using the correct label format.

This is not a substitute for chemical analysis but is intended to provide estimates based upon different component mixtures.

MAPLE SUGAR - SINGLE SERVE - Standard

Nutrition Facts			
Serving Size 2 tps (4 g)			
Servings Per Container 1			
Amount Per Serving			
Calories 15		Calories from Fat 0	
		% Daily Value*	
Total Fat	0g		0%
Saturated Fat	0g		0%
Trans Fat	0g		
Polyunsaturated Fat	0g		
Monounsaturated Fat	0g		
Cholesterol	0mg		0%
Sodium	0mg		0%
Total Carbohydrate	4g		1%
Dietary Fiber	0g		0%
Sugars	3g		
Other Carbohydrate	0g		
Protein	0g		
Vitamin A	0%	•	Vitamin C 0%
Calcium	0%	•	Iron 0%
*Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:			
	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mc	2,400mg
Potassium	Less than	3,500mc	3,500mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g
Protein		50g	65g
Calories per gram:			
Fat 9 • Carbohydrate 4 • Protein 4			
*Percent Daily Values are based on a 2,000 calorie diet.			

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MAPLE CREAM - SINGLE SERVE - Standard

Nutrition Facts

Serving Size 2 tbsp (30mL)

Servings Per Container 1

Amount Per Serving

Calories 90

Calories from Fat 0

% Daily Value*

Total Fat 0g 0%

Saturated Fat 0g 0%

Trans Fat 0g

Polyunsaturated Fat 0g

Monounsaturated Fat 0g

Cholesterol 0mg 0%

Sodium 0mg 0%

Total Carbohydrate 24g 8%

Dietary Fiber 0g 0%

Sugar 21g

Other Carbohydrate 0g

Protein 0g

Vitamin A 0% • Vitamin C 0%

Calcium 2% • Iron 2%

*Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:

		Calories:	2,000	2,500
Total Fat	Less than		65g	80g
Sat Fat	Less than		20g	25g
Cholesterol	Less than		300mg	300mg
Sodium	Less than		2,400mg	2,400mg
Potassium	Less than		3,500mg	3,500mg
Total Carbohydrate			300g	375g
Dietary Fiber			25g	30g
Protein			50g	65g

Calories per gram:

Fat 9 • Carbohydrate 4 • Protein 4

*Percent Daily Values are based on a 2,000 calorie diet.

Important Notice

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NEW YORK STATE
DEPARTMENT OF AGRICULTURE AND MARKETS
DIVISION OF FOOD SAFETY AND INSPECTION
10B AIRLINE DRIVE
ALBANY, NY 12235

CIRCULAR 933

Rules and Regulations Relating to

HUMAN FOODS:
CURRENT GOOD MANUFACTURING PRACTICE

Article 17-of the Agriculture and Markets Law
Part 261 Title 1 of the Official Compilation of
Codes, Rules and Regulations of the State of New York

Revised as of October 2000

**RULES AND REGULATIONS RELATING TO
HUMAN FOODS; CURRENT GOOD MANUFACTURING PRACTICE**

(1NYCRR, PART 261)

Section

- 261.1 Definitions**
- 261.2 Current Good Manufacturing Practice (Sanitation)**
- 261.3 Plant and Grounds**
- 261.4 Equipment and Utensils**
- 261.5 Sanitary Facilities and Controls**
- 261.6 Sanitary Operations**
- 261.7 Processes and Controls**
- 261.8 Personnel**
- 261.9 Exclusions**

Section 261.1 Definitions. The definitions and interpretations contained in section 198 of the New York State Agriculture and Markets Law are applicable to such terms when used in this Part. The following definitions shall also apply:

(a) **Adequate** means that which is needed to accomplish the intended purpose in keeping good public health practice.

(b) **Plant** means the building or buildings or parts thereof used for or in connection with the manufacturing, processing, packaging, labeling or holding of human food.

(c) **Sanitize** means adequate treatment of surfaces by a process that is effective in destroying vegetative cells of pathogenic bacteria and in substantially reducing other microorganisms. Such treatment shall not adversely affect the product and shall be safe for the consumer.

261.2 Current good manufacturing practice (sanitation). The criteria in sections 261.3 through 261.8 shall apply in determining whether the facilities, methods, practices, and controls used in manufacture, processing, packing, or holding of food are in conformance with or are operated or administered in conformity with good manufacturing practices to assure that food for human consumption is safe and has been prepared, packed, and held under sanitary conditions.

261.3 Plant and grounds. (a) **Grounds.** The grounds about a food plant under the control of the operator shall be free from conditions which may result in the contamination of food, including but not limited to, the following:

(1) improperly stored equipment, litter, waste, refuse, and uncut weeds or grass within the immediate vicinity of the plant buildings or structures that may constitute an attractant, breeding place or harborage for rodents, insects and other pests;

(2) excessively dusty roads, yards, or parking lots that may constitute a source of contamination in areas where food is exposed;

(3) inadequately drained areas that may contribute contamination to food products through seepage or foot-borne filth and by providing a breeding place for insects or microorganisms. If

the plant grounds are bordered by grounds not under the operator's control of the kind described in paragraphs (1) through (3) of this subdivision, care must be exercised in the plant by inspection, extermination, or by other means to effect exclusion of pests, dirt, and other filth that may be a source of food contamination.

(b) **Plant construction and design.** Plant buildings and structures shall be suitable in size, construction, and design to facilitate maintenance and sanitary operations for food processing purposes. The plant and facilities shall:

(1) provide sufficient space for such placement of equipment and storage of materials as is necessary for sanitary operations and production of safe food. Floors, walls and ceilings in the plant shall be of such construction as to be adequately cleanable and shall be kept clean and in good repair. Fixtures, ducts and pipes shall not be so suspended over working areas that drip, or condensate may contaminate foods, raw materials, or food-contact surfaces. Aisles or working space between equipment, and between equipment and walls, shall be unobstructed and of sufficient width to permit employees to perform their duties without contamination of food or food-contact surfaces with clothing or personal contact;

(2) provide separation by partition, location, or other effective means for those operations which may cause contamination of food products with undesirable microorganisms, chemicals, filth, or other extraneous material;

(3) provide adequate lighting to hand-washing areas, dressing and locker rooms, and toilet rooms and to all areas where food or food ingredients are examined, processed, or stored and where equipment and utensils are cleaned. Light bulbs, fixtures, skylights or other glass suspended over exposed food in any step of preparation shall be of the safety type or otherwise protected to prevent food contamination in case of breakage;

(4) provide adequate ventilation or control equipment to minimize odors and noxious fumes or vapors (including steam) in areas where they may contaminate food. Such ventilation or control equipment shall not create conditions that may contribute to food contamination by airborne contaminants; and

(5) provide, where necessary, effective screening or other protection against birds, animals and vermin (including but not limited to insects and rodents).

261.4 Equipment and utensils. All plant equipment and utensils should be (a) suitable for their intended use, (b) so designed and of such material and workmanship as to be adequately cleanable, and (c) properly maintained. The design, construction, and use of such equipment and utensils shall preclude the adulteration of foods with lubricants, fuel, metal fragments, contaminated water, or any other contaminants. All equipment should be so installed and maintained as to facilitate the cleaning of the equipment and of all adjacent spaces.

261.5 Sanitary facilities and controls. Each plant shall be equipped with adequate sanitary facilities and accommodations, including but not limited to the following:

(a) **Water supply.** The water supply shall be sufficient for the operations intended and shall be derived from an adequate source. Any water that contacts foods or food-contact surfaces shall be safe and of adequate sanitary quality. Running water at a suitable temperature and under pressure as needed shall be provided in all areas where the processing of food, the cleaning of equipment, utensils or containers, or employee sanitary facilities require.

(b) **Sewage disposal.** Sewage disposal shall be made into an adequate sewerage system or disposed of through other adequate means.

(c) **Plumbing.** Plumbing shall be of adequate size and design and adequately installed and maintained to:

- (1) carry sufficient quantities of water to required locations throughout the plant;
- (2) properly convey sewage and liquid disposable waste from the plant;
- (3) not constitute a source of contamination to foods, food products or ingredients, water supplies, equipment, or utensils or create an unsanitary condition; and
- (4) provide adequate floor drainage in all areas where floors are subject to flooding-type cleaning or where normal operations release or discharge water or other liquid waste on the floor.

(d) **Toilet facilities.** Each plant shall provide its employees with adequate toilet and associated hand-washing facilities within the plant. Toilet rooms shall be furnished with toilet tissue. The facilities shall be maintained in a sanitary condition and kept in good repair at all times. Doors to toilet rooms shall be self-closing and shall not open directly into areas where food is exposed to airborne contamination, except where alternate means have been taken to prevent such contamination (such as double doors, positive air-flow systems, etc.). Signs shall be posted directing employees to wash their hands with cleaning soap or detergents after using toilet.

(e) **Hand-washing facilities.** Adequate and convenient facilities for hand washing and, where appropriate, hand sanitizing shall be provided at each location in the plant where good sanitary practices require employees to wash or sanitize and dry their hands. Such facilities shall be furnished with running water at a suitable temperature for hand washing, effective hand-cleaning and sanitizing preparations, sanitary towel service or suitable drying devices, and, where appropriate, easily cleanable waste receptacles.

(f) **Rubbish and offal disposal.** Rubbish and any offal shall be so conveyed, stored, and disposed of as to minimize the development of odor, prevent waste from becoming an attractant and harborage or breeding place for vermin, and prevent contamination of food, food-contact surfaces, ground surfaces, and water supplies.

261.6 Sanitary operations. (a) **General maintenance.** Buildings, fixtures, and other physical facilities of the plant shall be kept in good repair and shall be maintained in a sanitary condition. Cleaning operations shall be conducted in such a manner as to minimize the danger of contamination of food and food-contact surfaces. Detergents, sanitizers, and other supplies employed in cleaning and sanitizing procedures shall be free of significant microbiological contamination and shall be safe and effective for their intended uses. Only such toxic materials as are required to maintain sanitary conditions, for use in laboratory testing procedures, for plant and equipment maintenance and operation, or in manufacturing or processing operations shall be used or stored in the plant. These materials shall be identified and used only in such manner and under conditions as will be safe for their intended use.

(b) **Animal and vermin control.** No animals or birds, other than those essential as raw material, shall be allowed in any area of a food plant. Effective measures shall be taken to exclude pests from the processing areas and to protect against contamination of foods in or on the premises by animals, birds and vermin (including, but not limited to, rodents and insects). The use of insecticides and rodenticides is permitted only under such precautions and restrictions as will prevent the contamination of food or packaging materials with illegal residues.

(c) **Sanitation of equipment and utensils.** All utensils and product-contact surfaces of equipment shall be cleaned as frequently as necessary to prevent contamination of food and food products. Nonproduct-contact surfaces of equipment used in the operation of food plants should be cleaned as frequently as necessary to minimize accumulation of dust, dirt, food particles, and other debris. Single-service articles (such as utensils intended for one-time use, paper cups, paper towels, etc.) should be stored in appropriate containers and handled, dispensed, used and disposed of in a manner that prevents contamination of food or food-contact surfaces. Where necessary to prevent the introduction of undesirable microbiological organisms into food products, all utensils and product-contact surfaces of equipment used in the plant shall be cleaned and sanitized prior to such use and following any interruption during which such utensils and contact surfaces may have become contaminated. Where such equipment and utensils are used in a continuous production operation the contact surfaces of such equipment shall be cleaned and sanitized on a predetermined schedule using adequate methods for cleaning and sanitizing. Sanitizing agents shall be effective and safe under conditions of use. Any facility, procedure, machine, or device may be acceptable for cleaning and sanitizing equipment and utensils if it is established that such facility, procedure, machine or device will routinely render equipment and utensils clean and provide adequate sanitizing treatment.

(d) **Storage and handling of cleaned portable equipment and utensils.** Cleaned and sanitized portable equipment and utensils with product-contact surfaces should be stored in such a location and manner that product-contact surfaces are protected from splash, dust and other contamination.

261.7 Processes and controls. Operations in the receiving, inspecting, transporting, packaging, segregating, preparing, processing and storing of food shall be conducted in accord with adequate sanitation principles. Overall sanitation of the plant shall be under the supervision of an individual assigned responsibility for this function. All reasonable precautions, including the following, shall be taken to assure that procedures do not contribute contamination such as filth, harmful chemicals, undesirable microorganisms, or other objectionable material to the processed product:

(a) Raw material and ingredients shall be inspected and segregated as necessary to assure that they are clean, wholesome, and fit for processing into human food and shall be stored under conditions that will protect against contamination and minimize deterioration. Raw materials shall be washed or cleaned as required to remove soil or other contamination. Water used for washing, rinsing or conveying of food products shall be of adequate quality, and water shall not be reused for washing, rinsing or conveying products in a manner that may result in contamination of food products.

(b) Containers and carriers of raw ingredients should be inspected on receipt to assure that their condition has not contributed to the contamination or deterioration of the products.

(c) When ice is used in contact with food products, it shall be made from potable water and shall be used only if it has been manufactured in accordance with adequate standards and stored, transported and handled in a sanitary manner

(d) Food-processing areas and equipment used for processing human food should not be used to process nonhuman food-grade animal feed or inedible products unless there is no reasonable possibility for the contamination of the human food.

(e) Processing equipment shall be maintained in a sanitary condition through frequent cleaning including sanitization where indicated. Insofar as necessary, equipment shall be taken apart for thorough cleaning.

(f) All food processing, including packaging and storage, should be conducted under such conditions and controls as are necessary to minimize the potential for undesirable bacterial or other microbiological growth, toxin formation, or deterioration or contamination of the processed product or ingredients. This may require careful monitoring of such physical factors as time, temperature, humidity, pressure, flow-rate and such processing operations as freezing, dehydration, heat processing, and refrigeration to assure that mechanical breakdowns, time delays, temperature fluctuations, and other factors do not contribute to the decomposition or contamination of the processed products.

(g) Chemical, microbiological, or extraneous-material testing procedures shall be utilized where necessary to identify sanitation failures or food contamination, and all foods and ingredients that have become contaminated shall be rejected or treated or processed to eliminate the contamination where this may be properly accomplished.

(h) Packaging processes and materials shall not transmit contaminants or objectionable substances to the products, shall conform to any applicable food additive regulation (1 NYCRR Part 251), and should provide adequate protection from contamination.

(i) Meaningful coding of products sold or otherwise distributed from a manufacturing, processing, packing, or repacking activity should be utilized to enable positive lot identification to facilitate, where necessary, the segregation of specific food lots that may have become contaminated or otherwise unfit for their intended use. Records should be retained for a period of time that exceeds the shelf life of the product, except that they need not be retained more than two years.

(j) Storage and transportation of finished products should be under such conditions as will prevent contamination, including development of pathogenic or toxigenic microorganisms, and will protect against undesirable deterioration of the product and the container.

261.8 Personnel. The plant management shall take all reasonable measures and precautions to assure the following:

(a) **Disease control.** No person affected by disease in a communicable form, or while a carrier of such disease, or while affected with boils, sores, infected wounds, or other abnormal sources of microbiological contamination, shall work in a food plant in any capacity in which there is a reasonable possibility of food or food ingredients becoming contaminated by such person, or of disease being transmitted by such person to other individuals.

(b) **Cleanliness.** all persons, while working in direct contact with food preparation, food ingredients, or surfaces coming into contact therewith shall:

(1) Wear clean outer garments, maintain a high degree of personal cleanliness, and conform to hygienic practices while on duty, to the extent necessary to prevent contamination of food products.

(2) Wash their hands thoroughly (and sanitize if necessary to prevent contamination by undesirable microorganism) in an adequate hand-washing facility before starting work, after each absence from the work station, and at any other time when the hands may have become soiled or contaminated.

(3) Remove all insecure jewelry and, during periods where food is manipulated by hand, remove from hands any jewelry that cannot be adequately sanitized.

(4) If gloves are used in food handling, maintain them in an intact, clean, and sanitary condition. Such gloves should be of an impermeable material except where their usage would be inappropriate or incompatible with the work involved.

(5) Wear hair nets, headbands, caps, or other effective hair restraints.

(6) Not store clothing or other personal belongings, eat food or drink beverages, or use tobacco in any form in areas where food or food ingredients are exposed or in areas used for washing equipment or utensils.

(7) Take any necessary precautions to prevent contamination of foods with microorganisms or foreign substances including, but not limited to, perspiration, hair, cosmetics, tobacco, chemicals and medicants.

(c) **Education and training.** Personnel responsible for identifying sanitation failure or food contamination should have a background of education or experience or a combination thereof, to provide a level of competency necessary for production of clean and safe food. Food handlers and supervisors should receive appropriate training in proper food-handling techniques and food-protection principles and should be cognizant of the danger of poor personal hygiene and unsanitary practices.

(d) **Supervision.** Responsibility for assuring compliance by all personnel with all requirements of this section shall be clearly assigned to competent supervisory personnel.

261.9 Exclusions. (a) The following establishments, businesses and operations are excluded from coverage under this Part:

(1) Establishments engaged solely in the harvesting, storage, or distribution of one or more raw agricultural commodities which are ordinarily cleaned, prepared, treated or otherwise processed before being marketed to the consuming public.

(2) Those businesses operating subject to Federal or State meat and poultry inspection laws and/or the rules and regulations promulgated thereunder.

(3) Those establishments now or in the future to be covered by specific rules and regulations promulgated pursuant to the Agriculture and Markets Law of the State of New York, including but not limited to the following Parts of this Title: Parts 16, 32, 36, 240, 256, 258, 270 and 275.

(b) The commissioner, however, will promulgate and adopt special or specific rules and regulations when he believes it necessary to cover or control the operations excluded by the provisions of subdivision (a) of this section.



NEW YORK STATE
DEPARTMENT OF AGRICULTURE AND MARKETS
DIVISION OF FOOD SAFETY AND INSPECTION
10B AIRLINE DRIVE
ALBANY, NY 12235

CIRCULAR 951

Pursuant to the

**LICENSING OF
FOOD PROCESSING ESTABLISHMENTS**

Article 20-C of the Agriculture and Markets Law
Section 251-z-1 to 251-z-12
Revised as of April 1, 2002

ARTICLE 20-C
LICENSING OF FOOD PROCESSING ESTABLISHMENTS

Section	
251-z-1.	Declaration of policy and purpose.
251-z-2.	Definitions.
251-z-3.	Licenses; fees.
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251-a-5.	Granting, suspending or revoking licenses.
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251-z-8.	Power of commissioner to investigate.
251-z-9.	Rules and regulations.
251-z-10.	Penalties.
251-z-11.	Remedies.
251-z-12.	Severability.

Section 251-z-1. Declaration of policy and purpose

The general purposes of this article are to assure that foods processed in New York state and offered for sale for human consumption are pure and wholesome and that the food processing establishments, in which such foods are manufactured or processed, conform to proper operating and sanitary standards.

Section 251-z-2. Definitions

1. The terms "food" and "food products" shall include all articles of food, drink, confectionery or condiment, whether simple, mixed or compound, used or intended for use by man and shall also include all substances or ingredients to be added to food for any purpose.

2. "Person" shall mean any individual, corporation, partnership, association or other organized group of persons, or any business entity by whatever name designated and whether or not incorporated.

3. The term "food processing establishment" means any place which receives food or food products for the purpose of processing or otherwise adding to the value of the product for commercial sale. It includes, but is not limited to, bakeries, processing plants, beverage plants and food manufactories. However, the term does not include: those establishments that process and manufacture food or food products that are sold exclusively at retail for consumption on the premises; those operations which cut meat and sell such meat at retail on the premises; bottled and bulk water facilities; those food processing establishments which are covered by articles four, four-a, five-a, five-b, five-c, five-d, seventeen-b, nineteen, twenty-b, and twenty-one of this chapter; service food establishments, including vending machine commissaries, under permit and inspection by the state department of health or by a local health agency which maintains a program certified and approved by the state commissioner of health; establishments under federal meat, poultry or egg product inspection; or establishments engaged solely in the harvesting, storage, or distribution of one or more raw agricultural commodities which are ordinarily cleaned, prepared, treated or otherwise processed before being marketed to the consuming public.

4. The term "processing" means processing foods in any manner, such as by manufacturing, canning, preserving, freezing, drying, dehydrating, juicing, pickling, baking, brining, bottling, packing, repacking, pressing, waxing, heating or cooking, or otherwise treating food in such a way as to create a risk that it may become adulterated if improperly handled.

Section 251-z-3. Licenses; fees

No person shall maintain or operate a food processing establishment unless licensed biennially by the commissioner. Application for a license to operate a food processing establishment shall be made, upon a form prescribed by the commissioner, on or before the fifteenth of the month preceding the applicable license period as herein prescribed. The beginning of the license period for an applicant shall be determined by the alphabetical order of an individual applicant's surname or the first word in the name of any other legal entity. The license period shall begin February fifteenth for applicants A through D, May fifteenth for applicants E through K, August fifteenth for applicants L through R, November fifteenth for applicants S through Z. For the license periods beginning September fifteenth, nineteen hundred ninety-eight, the commissioner is authorized to stagger license renewals.

The applicant shall furnish evidence of his or her good character, experience and competency, that the establishment has adequate facilities and equipment for the business to be conducted, that the establishment is such that the cleanliness of the premises can be maintained and that the product produced therein will not become adulterated. The commissioner, if so satisfied, shall issue to the applicant, upon payment of the license fee of seventy dollars, a license to operate the food processing establishment described in the application for two years from the applicable license commencement period set forth hereinabove. The commissioner shall prorate the license fee for any person applying for a new license after the commencement of the license period for such applicant's alphabetical group.

Notwithstanding any other provision of law to the contrary, the commissioner is hereby authorized and directed to deposit all money received pursuant to this section in an account within the miscellaneous special revenue fund.

Section 251-z-4. Exemptions

In addition to the exemptions specified in subdivision three of section two hundred fifty-one-z-two, the commissioner may, if he determines that the protection of the consumers of the state as a whole will not be impaired by such action, provide by regulation for exemption from licensing of small food processing establishments when he finds that such exemptions would avoid unnecessary regulation and assist in the administration of this article without impairing its purposes. Regulations defining such exemptions may classify exempted establishments with respect to the volume and types of food handled, the types of processing involved, or with respect to any other factor or combination thereof which bear a reasonable relation to the purposes of this article. Such exemptions may be conditioned upon requirements relating to sanitation, record keeping and reporting as the commissioner may require.

Section 251-z-5. Granting, suspending or revoking licenses

The commissioner may decline to grant a new license, may decline to renew a license, may suspend or revoke a license already granted after due notice and opportunity for hearing whenever he finds that:

- (1) Any statement contained in an application for license is or was false or misleading;
- (2) The establishment does not have facilities or equipment sufficient to maintain adequate sanitation for the activities conducted;
- (3) The establishment is not maintained in a clean and sanitary condition or is not operated in a sanitary or proper manner;
- (4) The maintenance and operation of the establishment is such that the product produced therein is or may be adulterated;
- (5) The establishment has failed or refused to produce any records or provide any information demanded by the commissioner reasonably related to the administration and enforcement of this article;
- (6) The applicant or licensee, or an officer, director, partner, holder of ten per cent of the voting stock, or any other person exercising any position of management or control has failed to comply with any of the provisions of this chapter or rules and regulations promulgated pursuant thereto; or
- (7) Any person including the applicant or licensee, or an officer, director, partner or any stockholder, exercising any position of management or control has been convicted of a felony in any court of the United States or any state or territory.

Section 251-z-6. Review

The action of the commissioner in refusing to grant or reissue a license, or in suspending or revoking a license, shall be subject to review in the manner provided by article seventy-eight of the civil practice law and rules. The decision of the commissioner shall be final unless within thirty days from the date of service thereof on the applicant or licensee, a proceeding is instituted to review such action.

Section 251-z-7. Records to be kept by licensee

Every operator of a food processing establishment shall keep, in such form as the commissioner shall approve, such records as may be required by the commissioner pursuant to rules and regulations promulgated pursuant to this article.

Section 251-z-8. Power of commissioner to investigate

The commissioner and his duly authorized representatives in the performance of his licensing and inspection duties under this article shall have access to and may enter at all reasonable hours all places where food or food products are being manufactured, packaged, processed or stored, or where food or food products are being bought, sold or handled.

Section 251-z-9. Rules and regulations

The commissioner is hereby authorized, after public hearing, to adopt, amend, promulgate and issue rules and regulations, including, but not limited to regulations prescribing good manufacturing practices and requiring records relating to processing data and food distribution patterns, and such other regulations as he may deem necessary to supplement and give full force and effect to the provisions of this article. A proposal to adopt applicable federal regulations pursuant to the federal food, drug and cosmetic act, relating to commercially processed foods for human consumption may be adopted without public hearing.

Section 251-z-10. Penalties

No operator of a food processing establishment shall fail to conform to any requirement of or violate any provision of this article or of the rules and regulations promulgated thereunder. Each day's operation of a food processing establishment without a license shall constitute a separate violation of this article, punishable by the penalties described in article three of this chapter, in addition to the remedies provided in this article.

Section 251-z-11. Remedies

The commissioner may institute such action at law or in equity as may be necessary to enforce compliance with any provision of this article or of any rule or regulation applicable thereto or promulgated thereunder. In addition to any other remedy prescribed in article three of this chapter, or otherwise, he may apply for relief by injunction without alleging or proving that an adequate remedy at law does not exist. Such application may be made to the supreme court in any district or county, as provided by the civil practice law and rules, or to the supreme court in the third judicial district.

Section 251-z-12. Severability

If any provision of this article or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the article which can be given effect without the invalid provision or application, and to this end the provisions of this article are declared to be severable.

Article 20-C as it Relates to Maple Syrup Producers in New York State

1. Manufacturers of maple syrup and maple products are exempt from Article 20-C licensing and inspection as long as all products are manufactured from a single ingredient and they are bottling their own syrup.
2. Manufacturers exempt from licensing must meet the conditions outlined in Circular 938 - Rules and Regulations Relating to Food Processing Establishments/ Section 276.4 Exemptions; and are required to meet any and all pertinent regulations outlined in Circular 911 - Article 17 : Adulteration, Packing, and Branding of Food and Food Products.
3. Any processor adding flavors, preservatives, or any other ingredients to their product, or bottling syrup purchased from another manufacturer; are subject to licensing and inspection under Article 20-C. An exemption from Article 20-C licensing (Home Processing Exemption) may be available to operators conducting limited processing in a home kitchen using ordinary kitchen equipment, pending product formulation review.
4. Requirements for obtaining an Article 20-C license include but are not limited to: demonstration of a potable water supply (quarterly water potability testing, annual nitrate testing, and a one time nitrite test), availability of hot and cold running water, an available hand wash sink located in a convenient location to all food workers, 2-3 bay sink for washing equipment, and a building of sound construction with easily cleanable walls, floors, and ceilings.
5. Regulations relating to establishments licensed under Article 20-C can be found in Circular 933 - Human Foods: Current Good Manufacturing Practices, and/or Circular 962 - Rules and Regulations Relating to Retail Food Stores.

Circulars listed above are available on the Department's web site at:

<http://www.agmkt.state.ny.us/FS/general/industryinfo.html>

APPLICATION FOR FOOD PROCESSING ESTABLISHMENT LICENSE

FSI-303 (5/11)

Please mail **Application & Payment** payable to:
 NYS DEPARTMENT OF AGRICULTURE AND MARKETS
 FSI-LICENSING UNIT
 10B AIRLINE DRIVE
 ALBANY, NY 12235

ARTICLE 20-C LICENSE FEE \$400.00

<i>(Office Use Only)</i>									
County Code - Est. No:									
Entity No. _____									
Receipt No. _____									
Certificate No. _____									

Section (1) enter and explain any changes in names or facility addresses.

Section (10) requires an original signature of owner or corporate officer.

APPLICATION MUST BE FULLY COMPLETED

Completion and submission of this form does not constitute authorization to open a food processing establishment.

(1) Individual Owner Name, Partnership (name all partners) or Full Name of the Corporation		County	
Trade Name		Business Telephone Number ()	
Street	City	State	Zip
(2) Federal ID Number <u>OR</u> Social Security Number			
(3) <u>Optional Mailing Address:</u>			
Street:	City:	State:	Zip:

(4) IF APPLICANT IS AN INDIVIDUAL OR PARTNERSHIP or LLP, THE FOLLOWING MUST BE COMPLETED:

Full Name of Owner or Name of each Partner	Residence – Home Address (Street & No., City, State, Zip)	Date of Birth

(5) IF APPLICANT IS A CORPORATION or LLC THE FOLLOWING MUST BE COMPLETED

Full Name of Officers	Residence – Home Address (Street & No., City, State, Zip)	Date Took Office	Date of Birth
President			
Vice Pres.			
Secretary			
Treasurer			
Directors (attach list if necessary)			

(5a.) Principal Office Address: _____

(5b.) In what state incorporated? _____ (5c.) Date of Incorporation _____

(5d.) For foreign or out-of-state corporations:
 Date of filing in New York State? _____
 Name and address of New York State resident upon whom service of process may be made? _____

(PLEASE COMPLETE REVERSE SIDE)

APPLICANTS MUST PROVIDE ALL REQUESTED INFORMATION**

SHOULD YOU FAIL TO DO SO, YOUR APPLICATION MAY NOT BE PROCESSED. IF YOU HAVE QUESTIONS CONCERNING THE INFORMATION REQUESTED, CALL (518) 485-5326 OR WRITE TO THE ADDRESS ON THE FRONT OF THIS FORM.

(6) Has the applicant or any partner, officer, director or stockholder been convicted of, or pleaded guilty to, a felony in any court in the United States? ☐ No

☐ Yes If yes, state the full name of the person _____

Name of Court and its location? _____

Date of Conviction? _____ A "Certificate of Conviction" is required. If a "Certificate of Conviction" has been provided and a license issued on a prior application, check this box. ☐

(7) List all food preparation or processing activities and the food prepared or processed at this location to be covered by this license. For example: cook or heat foods, grind meats, slice cold cuts, cheese, fish, fruit, etc., cappuccino machine, repack ready-to-eat foods or ice. Only those processing activities listed and approved below may be conducted.

(8) Every **Retail Food Store** licensed under Article 20-C must furnish evidence that an individual in a position of management or control assigned to the store has been issued a Certificate indicating they have attended an approved Food Safety Course unless:

- a. The food store has as its only full time employees the owner or the parent, spouse or child of the owner, or in addition not more than two full time employees; or
- b. The food store had an annual gross income of less than \$3,000,000 in the previous calendar year, excluding petroleum products, unless the food store is part of a network of subsidiaries, affiliates or other member stores, under direct or indirect control, which, as a group, had annual gross sales of the previous calendar year of \$3,000,000 or more.
- c. I attest that the retail food store is exempt from this requirement. ☐ Yes ☐ No

A list of approved Courses may be found at www.agmkt.state.ny.us/FS/fseducation.html

(9) Workers Compensation Law requires that businesses seeking state issued permits demonstrate that they have appropriate Workers Compensation Insurance (WCI). Indicate your WCI status:

☐ Insured with _____ ☐ Self Insured ☐ Exempt from WCI
Name of Insurance Provider

The undersigned applies for a license pursuant to Article 20-C of the Agriculture and Markets Law of the State of New York to conduct the food processing operations listed above, at this location only. New or additional food processing activities are to be reported to this Department for approval prior to the start of the processing operation. In support of this application, the undersigned makes the above statements and agrees to comply with the requirements of Article 20-C.

Any false statements made herein, in addition to being the possible basis for a revocation on any license issued as a result of this application may be punishable under the provisions of Section 210.45 of the Penal Law of the State of New York

AUTHORIZATION AND PURPOSE

* Disclosure of your federal social security and federal employer identification numbers is mandatory and is authorized by Section 5 of the New York State Tax Law. This information is collected to enable the Department of Taxation and Finance to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liability and to generally identify persons affected by the Tax Law administered by the Commissioner of Taxation and Finance administering the Tax Law and for any other purpose authorized by the Tax Law.

** The authority to solicit the information requested above is found in Section 16 of the Agriculture and Markets Law in the sections relating to the specific license you are seeking. This information is collected to enable the Department to evaluate your application, to determine if it should be issued and to assist in the enforcement and administration of the Agriculture and Markets Law.

(10) ORIGINAL SIGNATURE OF OWNER, PARTNER OR CORPORATE OFFICER	TITLE	DATE
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NEW YORK STATE
DEPARTMENT OF AGRICULTURE AND MARKETS
DIVISION OF FOOD SAFETY AND INSPECTION
10B AIRLINE DRIVE
ALBANY, NY 12235

CIRCULAR 1029

**RECORD KEEPING AND PRODUCT CODING
REQUIREMENTS FOR FOOD PROCESSING ESTABLISHMENTS
LICENSED UNDER ARTICLE 20-C OF THE
AGRICULTURE AND MARKETS LAW**

Revised as of April 1989

**RECORD-KEEPING AND PRODUCT CODING
REQUIREMENTS FOR FOOD PROCESSING
ESTABLISHMENTS LICENSED UNDER
ARTICLE 20-C OF THE AGRICULTURE
AND MARKETS LAW**

CODING: Each container of potentially hazardous food (any perishable food which consists in whole or in part of milk or milk products, eggs, meat, poultry, fish, shellfish, edible crustacea, or other ingredients capable of supporting rapid and progressive growth of infectious or toxigenic microorganisms) shall be marked with an identifying code which shall be permanently visible to the naked eye.

1. Where the container does not permit the code to be embossed or inked, the label or other similar marking device may be legibly perforated or otherwise marked, provided that such label is securely affixed to the product container in a manner satisfactory to the Commissioner.
2. The required identification shall identify in code the establishment where packed and the period during which packed.
3. The packing period shall be changed with sufficient frequency to enable identification of lots during their sale and distribution.
4. Packing period codes may be changed on the basis of one of the following: intervals of every four to five hours; personnel shift changes; or batches, provided the containers comprising such batch do not extend over a period of more than one personnel shift.

RECORDS:

1. Food processing and production information shall be entered on forms approved by the Commissioner, which shall include the product processed, the code number, the size of container, the approximate number of containers per coding interval, and other processing data required by the Commissioner.
2. Every operator of a processing plant shall keep a record of every transaction of the sale and distribution of potentially hazardous foods. Such records, in addition to the names and addresses of the persons or firms involved in the transaction, shall contain the code numbers of each lot involved.
3. All records, formulas and related data shall be legibly written in English and kept for the Commissioner's confidential review for two years at the processing facility and shall be available for examination at all reasonable hours by designated employees of the Department.

RETAIL STORES: Retail stores which are involved in the processing and sale of food products in wholesale lots must comply in full with those coding and record-keeping requirements described under “Coding” and “Records” on page 1. In addition, retail stores which manufacture acidified foods and/or tomato products and other potentially low-acid products must comply with the special record-keeping requirements described on pages 3 and 4.

Retailers who process (cook, smoke, or cure) ready-to-eat: pork products (excluding spareribs), smoked or dry cured meats or fish, poultry, poultry stuffings, stuffed meats, stuffing containing meat, or cook roast beef(except that any of the foregoing products which are deep fried are exempt), must maintain the following records for each lot of such products processed:

1. Time/temperature (internal temperature of the product).
2. Date of manufacture.
3. Amount of product manufactured.

In addition, in the case of roast beef manufacturing, records must include the following:

1. Preheat temperature of the oven and
2. The processing temperature of the oven.

Smoked or dry cured meats, poultry and fish manufacturing operations, must also record the following:

1. Salt, nitrite, or nitrate content (when used as a means of preservation).
2. Time cured.
3. Temperature of curing room.

Retailers involved in the manufacture of the aforementioned products should maintain required records for a period of two months (as opposed to the two-year retention period required for other 20-C licensed establishments). Retailers involved in vacuum or modified atmosphere packaging should refer to the special record keeping requirements provided with their Article 20-C Vacuum Packaging Authorization.

With the exception of the specific product requirements noted above, retail stores involved in processing foods on the premises and selling such products to individual consumers need not comply with the coding and record-keeping requirements described under “CODING” and “RECORDS” on page 1. In addition, retail record-keeping and coding requirements do not apply to food service type operations which are preparing foods for immediate consumption.

TOMATO PRODUCTS AND OTHER POTENTIALLY LOW-ACID PRODUCTS CODING

Each container must be coded to identify the establishment where packed and the period during which packed.

RECORDS: Time/temperature, pH readings, and codes must be maintained for each batch processed.

MANUFACTURERS OF ACIDIFIED FOODS

CODING: Each container or product shall be marked with an identifying code permanently visible to the naked eye. If the container does not permit the code to be embossed or inked, the label may be legibly perforated or otherwise marked, as long as the label is securely affixed to the product container. The required identification shall specify in code the establishment where the product was packed, the product contained therein, and the year, day, and period during which it was packed. The packing period code shall be changed often enough to enable ready identification of lots during their sale and distribution. Codes may be changed periodically on one of the following bases: intervals of four to five hours; personnel shift changes; or batches, as long as the containers constituting the batch do not represent those processed during more than one personnel shift.

RECORDS:

1. Records shall be maintained of examinations of raw materials, packaging materials, and finished products, and of suppliers' guarantees or certifications that verify compliance with Food and Drug Administration regulations and guidelines or action levels.
2. Processing and production records showing adherence to scheduled processes, including records of pH measurements and other critical factors intended to ensure a safe product, shall be maintained and shall contain sufficient additional information such as product code, date, container size, and product, to permit a public health hazard evaluation of the processes applied to each lot, batch, or other portion of production.
3. All departures from scheduled processes having a possible bearing on public health or the safety of the food shall be noted and the affected portion of the product identified; these departures shall be recorded and made the subject of a separate

file (or log identifying the appropriate data) delineating them, the action taken to rectify them, and the disposition of the portion of the product involved.

4. Records shall be maintained identifying initial distribution of the finished product to facilitate, when necessary, the segregation of specific food lots that may have become contaminated or otherwise unfit for their intended use.
5. Copies of all records provided for in paragraphs 2, 3, and 4 of this section shall be retained at the processing plant or other reasonably accessible location for a period of three years from the date of manufacture.

EXEMPTIONS:

Some specialized types of food processing establishments are exempt in part or entirely from the foregoing coding and record-keeping requirements. They include those establishments which qualify for exemption from Article 20-C licensing under Section 251-z-2, certain maple syrup or honey processors, and processors which qualify for home processor exemptions. Also see partial exemption status for certain types of retail store processing as described on page 2.



NEW YORK STATE
DEPARTMENT OF AGRICULTURE AND MARKETS
DIVISION OF FOOD SAFETY AND INSPECTION
10B AIRLINE DRIVE
ALBANY, NY 12235

CIRCULAR 962

**Rules and Regulations Relating to
RETAIL FOOD STORES**

**See the Wholesale Maple
Marketing CD**

Article 17 of the Agriculture and Markets Law
Part 271 of Title 1 of the Official Compilation
Of Codes, Rules and Regulations of the
State of New York

Revised as of March, 2004

Department of Health

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Subpart 14-1 Food Service Establishments

Part 14, Subpart 14-1 Food Service Establishments

Notice

The information contained on this website is not the official version of the Compilation of the Rules and Regulations of the State of New York (NYCRR). No representation is made as to its accuracy. To ensure accuracy and for evidentiary purposes, reference should be made to the Official Compilation of the Rules and Regulations of the State of New York, available from West Publishing at 1-800-344-5009.

Includes Amendments Effective January 8, 1997

Sections

**Information helpful to maple
operations selling to restau-
rants See the Wholesale Ma-
ple Marketing CD**

ANNUAL SYRUP PRODUCTION & PACKAGING RECORD

Date Boiled	Gallons Sap	% Sap	Grade A Light	Grade A Medium	Grade A Dark	Grade A Extra Dark	Commercial Grade	Total Syrup	Date Packaged	Batch Code #
Totals										
	Sap	%	Light	Medium	Dark	Extra Dark	Commercial	Syrup		

Producer: _____
Sugarhouse/Address: _____

