

Idea to Reality: Starting a Food Business in Wisconsin

An opportunity to share a family favorite item or to provide a uniquely flavored sauce for others to try can be a reason to **start or expand a food business**. As you move from **Idea to Reality**, begin by asking yourself **three questions**:

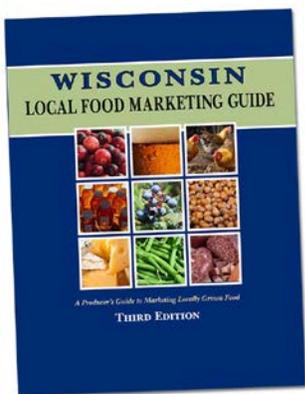
1. What do you want to make?
2. Where do you intend to make your product(s)?
3. Where do you intend to sell your product(s)?

What do you want to make? There are many options. Consider what you make that family and friends like, or items already in the marketplace that you can improve upon. Businesses that are just starting out are often more successful if they focus on a few key items and expand over time.



Where do you intend to make your product(s)? A **limited number** of food items offered for sale can be made in the **home kitchen** where family meals are prepared. For example, regulations allow for some home bakery businesses and home pickling of vegetables for sale. These regulations allow products made in the home (family) kitchen to be offered for sale, but only in the state of Wisconsin and, in some cases, confine sales to particular locations, e.g. farmers' markets or community events for homemade pickles. More information on **home-based businesses** can be found online:

- [Selling Home Canned Foods](https://datcp.wi.gov/Pages/Programs_Services/FSHomeCannedFoods.aspx) https://datcp.wi.gov/Pages/Programs_Services/FSHomeCannedFoods.aspx
- [Licensing Exemption for Home Bakers](https://datcp.wi.gov/Pages/Licenses_Permits/HomeBakers.aspx) https://datcp.wi.gov/Pages/Licenses_Permits/HomeBakers.aspx
- [Local Food Marketing Guide](https://datcp.wi.gov/Documents/DAD/LocalMarketingFoodGuide_1_16.pdf) has a wealth of detailed information on licensing requirements, if any, for everything from apple cider to vegetables (pickled). This valuable resource also includes information on business taxes, business insurance, key steps to selling to restaurants and grocery stores, and more. https://datcp.wi.gov/Documents/DAD/LocalMarketingFoodGuide_1_16.pdf



Most food businesses **cannot operate without a license**. A license is issued for food businesses operating at a **particular location**. A license can cover manufacture of many products, foods that are baked, packaged, extracted, frozen, dried, bottled – often all these activities **may be covered under one license**. Many business start-ups do not have a dedicated facility or kitchen and look to **shared-use locations to get started**. This is a great idea! Consider **renting space** in an existing already licensed restaurant (when the restaurant isn't serving) or a dedicated **shared-use or entrepreneurial kitchen**; some businesses start off by renting space in **church halls or community centers** that have kitchens that meet licensing standards. A license is issued to each person or business operating in a shared space, is renewed annually, and is not transferable.

Where do you intend to sell your product(s)? Consider if you will sell your product directly to consumers, such as through farmers' markets or online, or if you are targeting area grocery stores that feature local products. A retail food establishment license is focused on direct sales to consumers, while a food processing plant license is necessary if a business will manufacture food primarily to sell to other businesses. Some business operations such as canning may only be done under a food processing plant license. **License requirements** for retail food establishments are in **ATCP 75** [here](https://docs.legis.wisconsin.gov/code/admin_code/atcp/055/75), https://docs.legis.wisconsin.gov/code/admin_code/atcp/055/75, and for food processing plants are in **ATCP 70** [here](https://docs.legis.wisconsin.gov/code/admin_code/atcp/055/70/), https://docs.legis.wisconsin.gov/code/admin_code/atcp/055/70/

Once you have answered these three questions, you are ready to go on to the **next step**.

If your business is ready, contact state licensing specialists. datcpdfslicensing@wi.gov or 608-224-4923.

These specialists can help you move your idea closer to reality.

Licensing. Most food manufacturing operations from 'A-Z' require a license, for example: bottling, canning, coating, cutting, dicing, distilling, drying, extracting, fermenting, freezing, grinding, mixing, pickling, smoking, and stuffing – companies involved in all these activities, and many others, generally must be licensed.

The **requirements of an acceptable facility** include adequate lighting and ventilation, work surfaces in good repair, cleanable floors, walls and ceilings, equipment to effectively clean equipment, appropriately constructed hand and dishwashing sinks, and a safe water supply.

*A license is required to manufacture and sell many kinds of food. To be issued a license to manufacture food, a processor must identify a **location** that is acceptable. Instead of building a facility, a processor just starting out may find that renting space in a restaurant, a church kitchen, or a community kitchen makes sense.*

License fee schedule. The cost of a license from the Wisconsin Department of Agriculture, Trade and Consumer Protection (WDATCP) begins at \$60 annually for the simplest type of retail food establishment, or \$95 for the smallest food processing plant license (wholesale). As a company's sales increase and the complexity of operations increase, the cost of a license increases. Some food licenses are issued by local health departments. The **licensing specialists** can help direct you to the proper licensing authority.

A license is issued to an individual, an entity, or a corporation, and is not transferrable. A license is issued for processing food at a particular location. Licenses renew each year on April 1st.

In some instances, processors may be required to obtain a mobile retail license, a food warehouse license, or other permit as dictated by state, county, or municipal jurisdictions.

The licensing process. A food inspector (sanitarian) will work with you one-on-one to help you get your business started. The inspector will meet with you at your processing location to inspect the facility and review the requirements for licensing. If everything is in order, you may receive a temporary license 'on the spot.' If you do not have everything in order, the inspector will tell you what remains before a license can be issued

Be prepared when the inspector arrives. At a pre-licensing visit, an inspector will want to review any required **certificate of training** and to tour your facility and **inspect the facility and equipment**. You should be prepared to share **samples or templates that you will use for recordkeeping** in your business, including how you will track ingredients and finished product sales. Many businesses will need to provide a sample **recall plan**. You will need evidence that you are using **clean and safe (potable) water to manufacture food**. Above all, you should be prepared **to discuss how you will operate your business and produce safe, wholesome food**.

If you need help developing an idea or exploring business options before licensing, there are organizations that may be able to assist:

- **Division of Extension Help Line (UW-Madison)** bhingham@wisc.edu or 608-263-7383. Help with food safety questions, assistance with training, support for product development and production/packaging.
- **Food Finance Institute** <https://foodfinanceinstitute.org/>
- **Small Business Development Centers** https://wisconsinsbdc.org/store_locator or 800-940-7232
- **Wisconsin Women's Business Initiative Corporation (WWBIC)** <https://www.wwbic.com/>



Processors of canned foods. There are many types of canned food: fruits, jams and jellies, pickles, salsa, sauces and dressings, and tomatoes. In many cases, manufacturing these foods for sale requires that you have a **license**. **Canned food** is shelf-stable and sold in air-tight containers. Often we think of canned food as being packaged in a metal can, but the term ‘canning’ also applies to food in glass jars, and to some foods packaged in foil or laminate packages.

Training, if required. Manufacturing of canned items under a license in Wisconsin is one example where **training is an important part of ensuring food safety**. Federal and state laws require training for food manufacturers involved in canning, processing of meat, poultry and seafood, or juice processing. **If training is required, you may need to attend training prior to moving onto the next steps of starting your business.**

Your contacts for training:

- **Dairy processing.** (University of Wisconsin-Madison). Contact Scott Rankin (Dairy Foods Specialist) at sarankin@wisc.edu or 608-263-2008.
- **Food manager certification.** Information on meeting this requirement can be found online. Contact datcpfrbsupport@wi.gov or 608-224-4683.
- **Juice processing.** Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP). Contact Erin Bergwin erin.bergwin@wisconsin.gov or 920-445-5384.
- **Meat or poultry processing.** DATCP Meat and Poultry Licensing Team at datcpmeatpoultrylicensing@wi.gov or 608-224-4694.
- **Seafood processing.** (DATCP) Contact Erin Bergwin erin.bergwin@wisconsin.gov or 920-445-5384.
- **Small Business Better Processing (canning) School** (University of Wisconsin-Madison). Contact Barb Ingham (Food Safety Specialist) at bingham@wisc.edu or 608-263-7383.

Manufacturing safe food for sale. Work through these steps as you prepare to launch your food business.

- Decide what** you want to manufacture, **where** you will manufacture, and **where** you hope to sell your product.
- Locate a facility** that meets the requirements for manufacturing and/or storing finished product. Ensure that **equipment** used in food manufacturing is cleanable and of sanitary design.
- Contact the licensing specialists** to confirm you are on the correct path.
- Attend** training, if required.
- Locate suppliers** for packaging material. Packaging material must be clean and sanitary.
- Locate suppliers** for ingredients. If purchasing raw agricultural products, check that the grower is using **good agricultural practices** to help ensure food safety.
- Prepare samples** or templates for recordkeeping in your business.
- Develop a recall plan.**
- For some operations, you will need to develop a type of food safety plan called a **HACCP plan**. HACCP stands for Hazard Analysis Critical Control Point. A HACCP plan guides processing of meat and poultry, seafood and juice. HACCP is used for some specialty processes at retail. HACCP trainings will outline these requirements.
- If you will be **canning**, you will need to send products to a commercial lab for testing and to submit your recipe for review. The training for canning explains, in detail, these requirements.
- Contact the food inspector (sanitarian) for a licensing inspection.** Good luck!



B. Ingham. 11/6/2020