



## INCOME OPPORTUNITY VALUE-ADDED PRODUCTS

**Michael Ruzycki, Ruzycki Farms;  
Jona Kay Squires,  
Mid-America Technology Center**

# OVERVIEW

- Introductions
- What is value-added
- Trends
- Advantages and disadvantages
- Options for kitchens
- Got a kitchen now what
- Manufacturing permit
- Resources



# Grew up a country kid ....South Central Oklahoma



# INTRODUCTIONS

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405 449-7623

Mother

Consumer

Grandmother

Educator

Producer



# Definition of value-added and trends

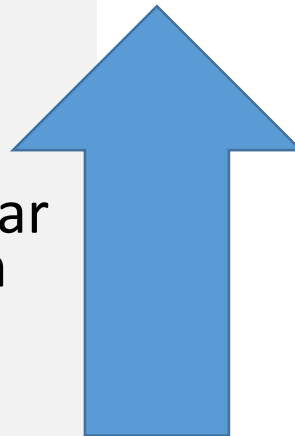
- **Value-added products** are defined by USDA as having:
  - *A change in the physical state or form of the product (such as milling wheat into flour or making strawberries into jam).*
  - *The production of a product in a manner that enhances its value (such as organically produced products).*
- “Value-added processing offers farmers the potential to capture a larger share of the food dollar. The farmer's share of the consumer's food shopping dollar has decreased from 46 percent in 1913 to just fewer than 20 percent in 2006, according to the USDA Economic Research Service.

Why? Consumers buy more "ready-to-eat" or "ready-to-cook" food while farmers generally produce and market raw agricultural commodities.

# Advantages and Disadvantages

## Advantages:

- Increase farm income
- Expand target market of consumers
- Expand geographical area of market
- Expand shelf life of a product 1 to 2 years on average
- Expand marketing strategies
- Reduces loss – moves into profit
- Education and brand loyalty can be increased for farm
- Increased retail outlets
- Increased consumers on a more regular basis – keep products in front of them year around
- Brand recognition



## Disadvantages:

- Learning curve for understanding manufacturing and processing
- Time to gain knowledge
- Cost of building a commercial kitchen or renting space
- Cost of processing with a co-packer
- Cost of permit needed if manufacturing yourself
- Storage space needed
- Recordkeeping needed
- Business structure may need to change to reduce liability

# Options for kitchens and doing it yourself

## Business Incubators:

### What are they and where? How do they work?

A **business incubator** is a workspace created to offer startups and new ventures access to the resources they need, all under one roof. Some of these will have kitchen space available. See business incubator resources attached for locations in the state. Typically will pro-rate the space over a 1 to 3 years.



## REI Oklahoma

Durant Office & Commercial Kitchen  
2912 Enterprise Blvd.  
Durant, OK 74701  
(800) 658-2823

## Earth Elements Entrepreneurs Kitchen

1408 N Portland Ave, Oklahoma City, OK 73107  
(405) 673-7945

## Miltepito Mexican Restaurant

1709 S. Sunnyslane Rd.  
Oklahoma City, OK 73115  
[www.miltepito.com](http://www.miltepito.com) available after 9:00 p.m.

## Poke Loco Kitchen

14600 North Pennsylvania Suite G  
Oklahoma City, OK 73134

## Kitchen 66

907 S Detroit Ave,  
Tulsa, OK 74120  
[Kitchen66tulsa.com](http://Kitchen66tulsa.com)

# Don't fear the rules – transparency and authenticity...



# Other options for kitchens

## Most communities:

- Check with county and state health department officials as they will inspect yearly commercial kitchens.
- Check out county extension to see if they rent out a commercial kitchen
- Check out local churches because many times they may meet requirements for a commercial kitchen.
- Local schools may be willing to rent out a kitchen as they are inspected yearly by state health department officials.
- Technology Centers may have a kitchen they will rent out so check them out too.



# Got a kitchen now what...know the rules & permits

## Manufacturing Permit

- Walk you through the process and paperwork
- **Fill** out paperwork
- Attach copy of label and ingredients
- Once kitchen is approved then your paperwork is completed and you pay the state the permit cost of year 1 of \$425.00

### • Things to think about

- High risk or low risk product
  - Salsa and pH compared jelly
  - Kill steps
  - Products meat beef jerky
  - Frozen and transportation/storage

### • **ANY QUESTIONS ABOUT THIS –**


Andrea Graves Robert Kerr Food Agricultural Processing Center (OSU) Stillwater

Phone: [405-744-7304](tel:405-744-7304)  
[andrea.graves@okstate.edu](mailto:andrea.graves@okstate.edu)

- **State Food-Co-Packers - resources**

## State Department of Oklahoma Health Officials

- Melinda Elgin RPS, RPES  
Public Health Specialist  
Oklahoma State Department of Health  
Cell (405)664-8173  
Office (405)271-5243  
Fax (405)271-5286

	Protective Health Services Oklahoma State Department of Health	Submit form with \$425.00 nonrefundable fee to: Attn: Consumer Health / OK State Dept of Health PO Box 268815 / OKC OK 73126-8815 Office: (405) 271-5243   Fax: (405) 271-5286 Email: <a href="mailto:ConsumerHealth@okstate.gov">ConsumerHealth@okstate.gov</a> Website: <a href="http://okstate.gov/health">http://okstate.gov/health</a>
	<b>PLAN REVIEW APPLICATION FOR MANUFACTURING/WAREHOUSING</b>	
Program Type: <input type="checkbox"/> Food <input type="checkbox"/> Drug Non-Profit/Charitable (Y/N): <input type="checkbox"/> Yes <input type="checkbox"/> No		
Establishment Type: (check all that apply) <input type="checkbox"/> Manufacturing <input type="checkbox"/> Wholesaler <input type="checkbox"/> Salvage <input type="checkbox"/> Water Bottling <input type="checkbox"/> Water Vending <input type="checkbox"/> Supplements <input type="checkbox"/> Other: _____		
Type of Construction: <input type="checkbox"/> New Construction/Facility <input type="checkbox"/> Remodel of existing establishment <input type="checkbox"/> Existing establishment changing the type of operation <input type="checkbox"/> Conversion of existing structure <input type="checkbox"/> Change of ownership with no changes in operation		
Name of Establishment: _____ County: _____		
Physical Street Address: _____		
City: _____ State: _____ Zip Code: _____		
<b>OWNER / APPLICANT INFORMATION:</b>		
Applicant's Name / Title: _____		
Primary Phone #: _____ Secondary Phone #: _____		
Street Address: _____		
City: _____ State: _____ Zip Code: _____		
E-Mail Address: _____		
Type of Ownership: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC		
(If applicable) State Tax ID #: _____ and/or Federal ID #: _____		
<b>CONTACT INFORMATION IF DIFFERENT FROM OWNER / APPLICANT:</b>		
Contact's Name / Title: _____		
Primary Phone #: _____ Secondary Phone #: _____		
Street Address: _____		
City: _____ State: _____ Zip Code: _____		
E-Mail Address: _____		
<b>HEALTH DEPARTMENT USE ONLY</b> Date Copy of Rules Received: _____ <input type="checkbox"/> OAC 110-223 _____ <input type="checkbox"/> OAC 110-240 _____ <input type="checkbox"/> OAC 110-237 _____ <input type="checkbox"/> OAC 110-240 _____ <input type="checkbox"/> OAC 110-285 _____ OSDH License #: _____ OSDH Package # / Date: _____		All facilities must be inspected and licensed prior to operation. <b>SUBMITTING THIS FORM DOES NOT GIVE PERMISSIONS TO OPEN AN ESTABLISHMENT.</b>  Applicant's Title: _____ Applicant's Signature / Date of Signature: _____

# Resources

OSU Cooperative Extension  
Each county has an agriculture agent

County Health Departments

Robert Kerr Food Agricultural Processing Center  
148 FAPC  
STILLWATER, OK 74078  
Phone: [405-744-7304](tel:405-744-7304)

Oklahoma Career Technical Education  
29 Technology Centers  
Agriculture Business Managers, Small Business Coordinators & Incubators

# Resources

- **[Agricultural Marketing Resource Center](https://www.agmrc.org/)**

<https://www.agmrc.org/>

An electronic, national resource for producers interested in value-added agriculture. (posted 4/5/18)

- **[Food Safety](https://www.foodsafety.gov/)**

<https://www.foodsafety.gov/>

FoodSafety.gov is the gateway to federal food safety information provided by government agencies. (posted 4/5/18)

- **[Processing For Profits](https://www.extension.umd.edu/sites/extension.umd.edu/files/docs/programs/agmarketing/ProcessingForProfits.pdf)** <https://www.extension.umd.edu/sites/extension.umd.edu/files/docs/programs/agmarketing/ProcessingForProfits.pdf>

*An Assessment tool and guide for small-scale on-farm food processors*

<https://www.ams.usda.gov/market-news>



## INCOME OPPORTUNITY VALUE-ADDED PRODUCTS

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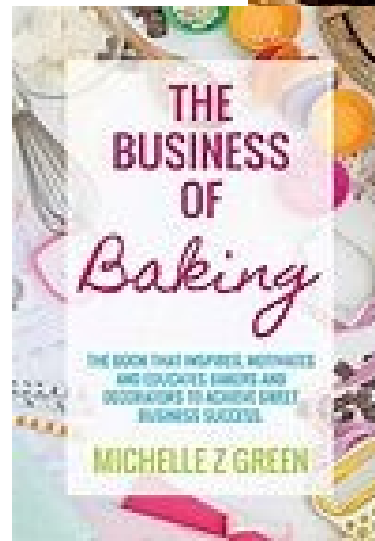
***10 Value Added Items and  
Activities We Utilize at Ruzycki  
Farms***

**Michael Ruzycki**

# Baked Goods

- *The Business of Baking: The book that inspires, motivates and educates bakers and decorators to achieve sweet business success by Michelle Z. Green*
- *Get Acquainted with Oklahoma Cottage Food Laws*
- *When it comes to home baking, there are many different treats you can make including:*

Cakes and cupcakes  
Cookies  
Brownies and bars  
Pies  
Muffins  
Breads  
Pastries  
Biscotti  
Dog treats



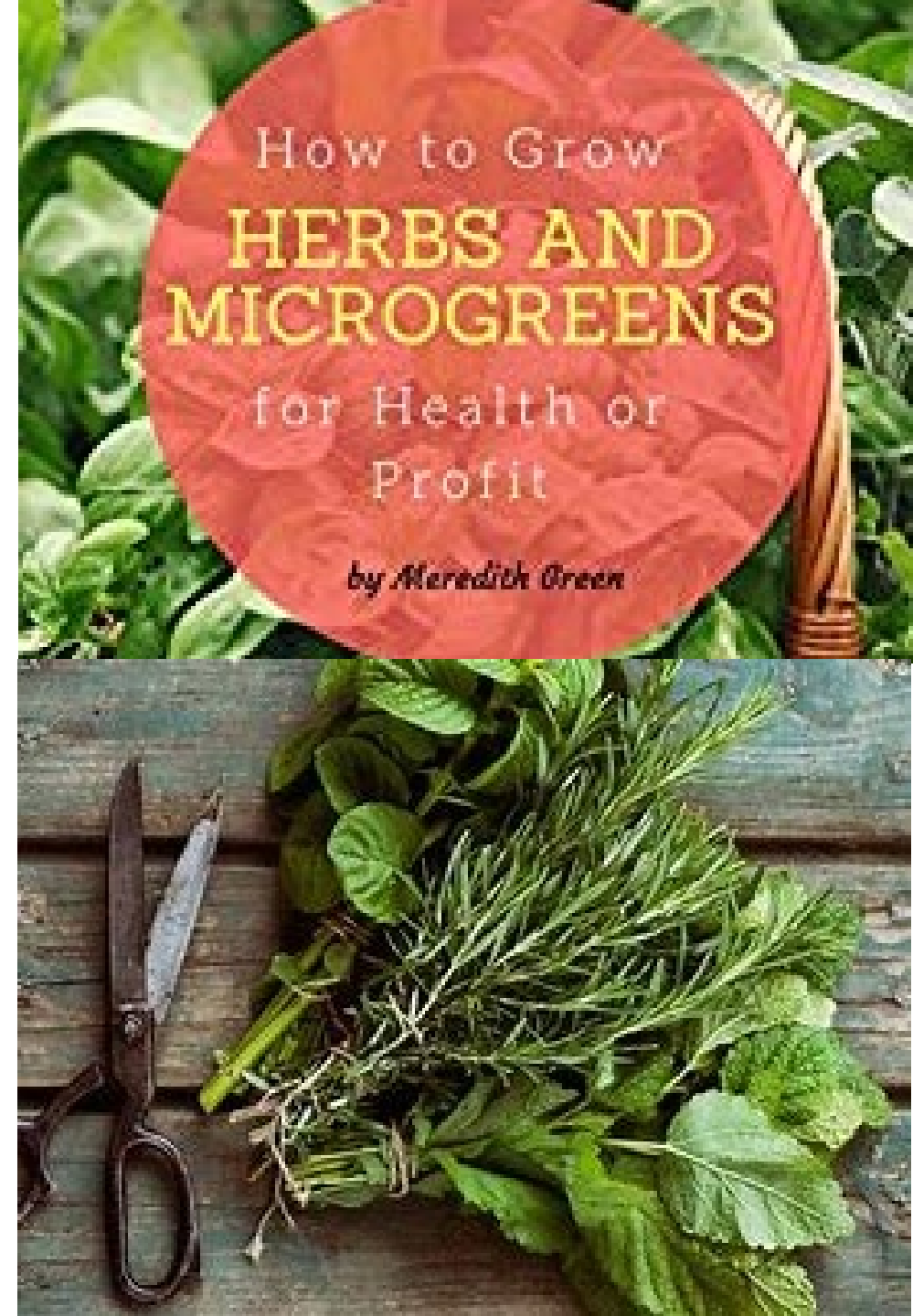
# Cut Flowers

- ▶ *The Flower Farmer: An Organic Growers Guide to Raising and Selling Cut Flowers by Lynn Byczynski*
- ▶ *What makes a Good Cut Flower?*
- ▶ *A Cut Flower should meet the following parameters-*
  - ▶ Appeal and beauty of the Cut Flower.
  - ▶ Sweet fragrance of the Cut Flower.
  - ▶ Long stemmed Cut Flower.
  - ▶ Extended vase life of the Cut Flower.



# Herbs

- *How to Grow Herbs and Microgreens for Health or Profit by Meredith Green*



# Microgreens/Fodder

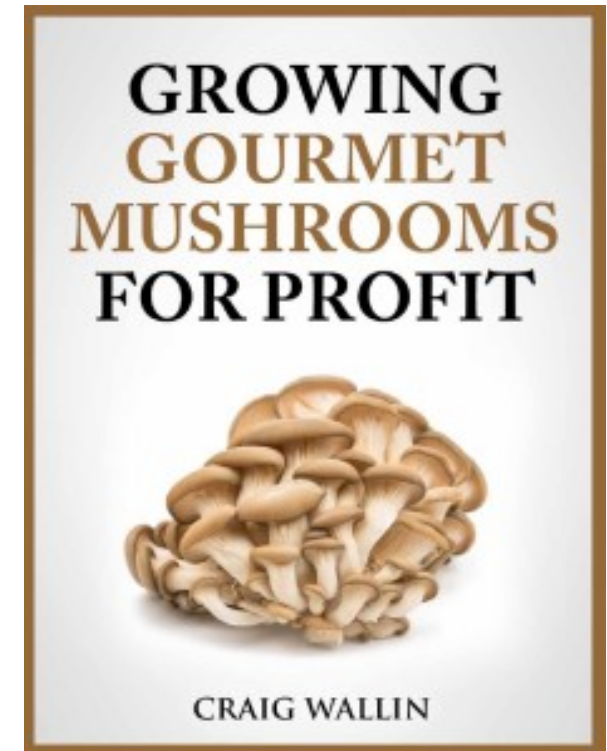
- *How to Make Money Growing and Selling Microgreens: An Indoor Urban Farming Guide by Brandon Keady*





# Mushrooms

- ***Growing Gourmet Mushrooms for Profit by Craig Wallin***



# Poultry

- *Profitable Market Poultry: A Practical Book on How and What to Do to Make Market Poultry Highly Profitable by Cyphers Incubator Company*



PROFITABLE MARKET POULTRY: A  
PRACTICAL BOOK ON HOW AND WHAT TO  
DO TO MAKE MARKET POULTRY HIGHLY  
PROFITABLE

CYPHERS INCUBATOR COMPANY

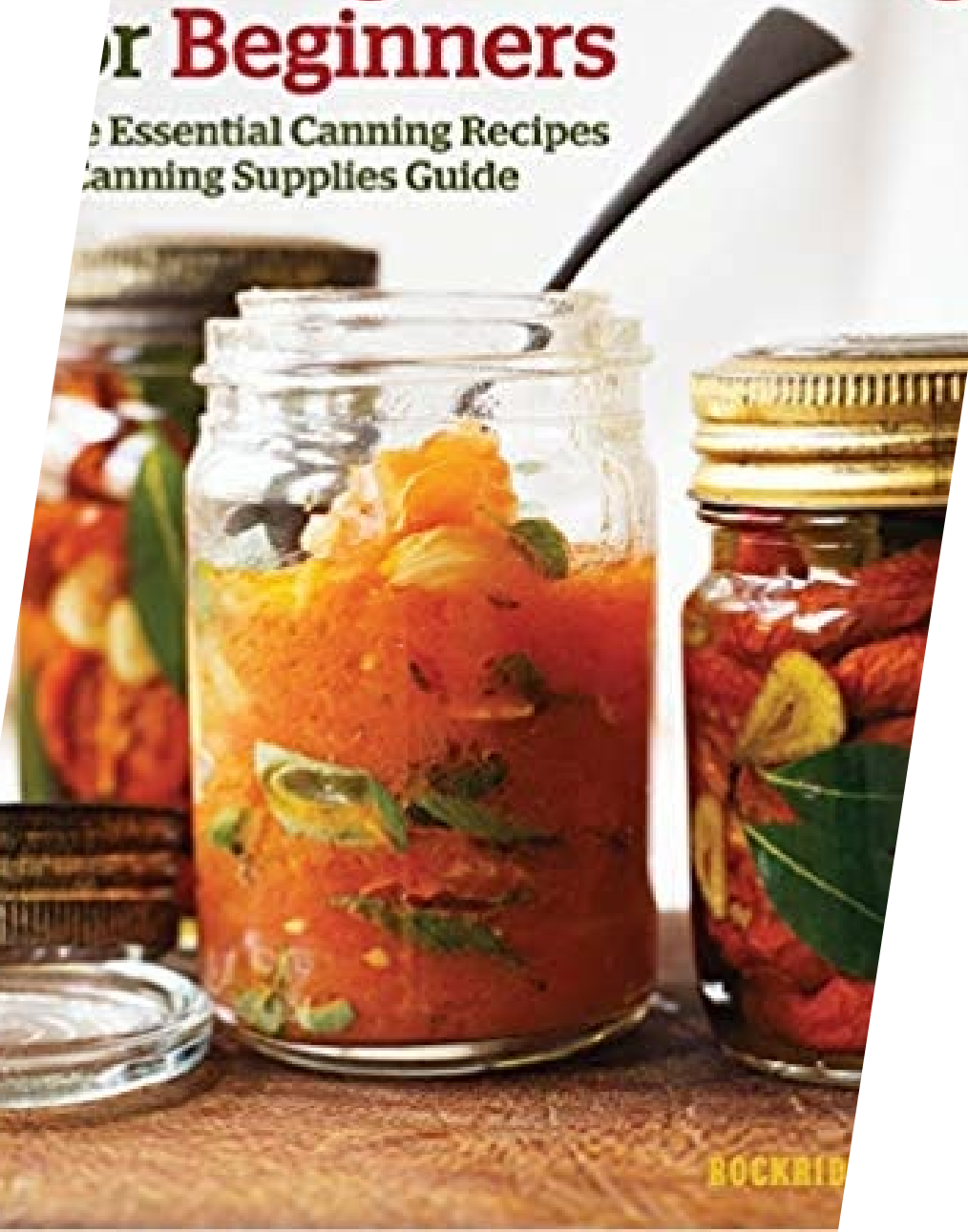
# Processed Goods

- ***Start with the freshest, best products available. Preserving doesn't improve food quality. If you put garbage in, you get garbage out.***
- ***Know the rules and techniques for your canning or preserving method before you start your work. Don't try to learn a technique after you've started your processing.***



# Canning & Preserving for Beginners

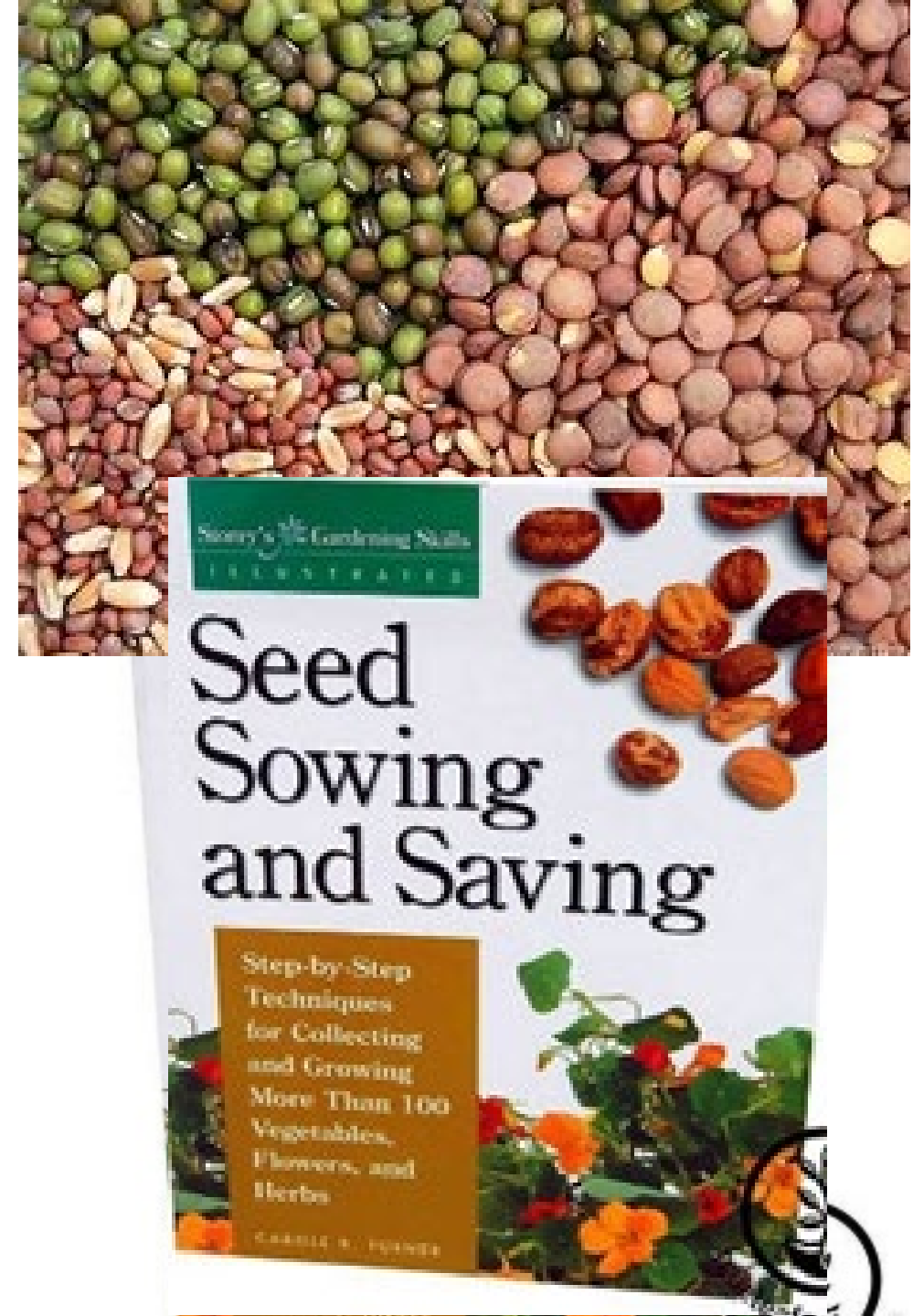
The Essential Canning Recipes  
Canning Supplies Guide



- *Stay up to date on new or revised guidelines for your preserving method. You can visit Web sites like [Freshpreserving.com](http://Freshpreserving.com), created by the makers of Ball canning supplies. Here you can find tips and directions for canning just about anything*
- *Canning and Preserving for Beginners: The Essential Canning Recipes and Canning Supplies Guide by Rockridge Press*

# Seed Saving

- Seed Sowing and Saving by Carole B. Turner



# START SEEDS SUCCESSFULLY

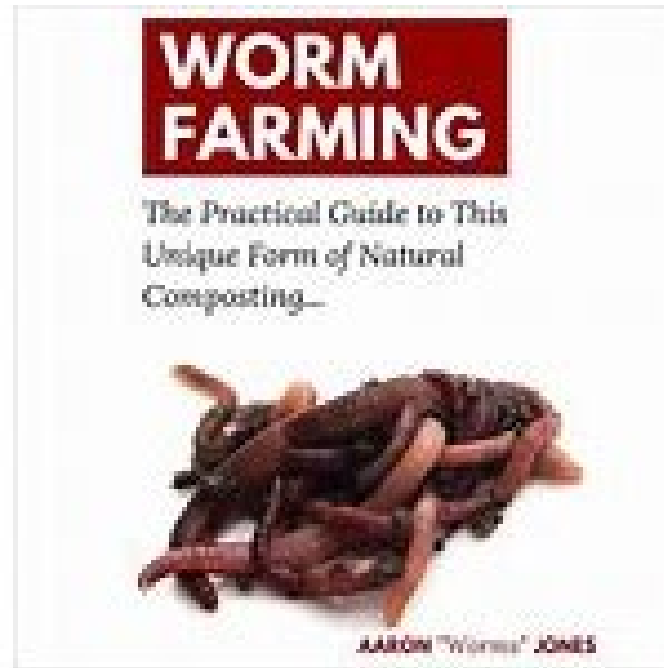
Step by step instructions to enable

- **How to Start Seeds Successfully: Step by Step Instructions to Enable Any Gardener to Competently Produce, Strong, Organic Vegetable Seedlings by Ken Bourne**



## Vegetable Starts

KEN BOURNE



Worms/Worm  
Castings/Compost