

HOW TO START A PRESERVED FOOD BUSINESS



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PRESERVED FOOD AND READY MEALS

According to the Spanish Food Code, a preserve is "a product obtained from perishable foods of animal or vegetable origin, with or without the addition of other authorized substances, contained in appropriate hermetically sealed containers and treated exclusively by heat, in such a way as to ensure its preservation".

And ready meals "are products obtained by mixing and seasoning animal and vegetable foods, with or without the addition of other authorized substances, contained in appropriate hermetically sealed containers and treated by heat or any other process that ensures their preservation, and that are ready to be consumed after being heated".

Preserved food and ready meals can include meat, fish, mollusks and crustaceans, fruits and vegetables. It also goes without saying that they must be in a perfect state for consumption, come from raw materials that do show signs of decomposition, with the appropriate ripeness and size. In addition, they must be packaged in appropriate conditions, with materials that are resistant to the action of the product's components, and that have undergone a sterilization process to ensure an appropriate stability and elimination of microbes.

The possibilities of preserves are many and thanks to them we can prepare special dishes with off-season



ingredients to supplement menus, either as a garnish and/or appetizer.

The current market trends are increasingly demanding more special preserves, with better taste, namely gourmet preserves. The main difference between gourmet preserves and normal preserves lies in the production system, based on artisanal processes that use local products and special labels such as Bio in the European Union.

Thanks to preserves and ready meals we can use almost any type of surplus food and avoid unnecessary food waste. In addition, sterilization allows us to produce artisanal elaborations without preservatives or colorants of any kind. Gourmet canned food is an exquisite snack that, despite being packaged, has not lost any of its nutritional value and essence.

According to a Spanish report on food consumption, canned food purchases

increased by 1.6% in volume and 4.8% in value. Per capita consumption is 4.47 kg per person a year. It is, therefore, a growing market with great future potential.

ARE YOU READY TO START YOUR OWN GOURMET CANNED FOOD AND READY MEALS BUSINESS? SHALL WE START?

1. I WANT TO START MY OWN PRESERVES OR READY MEALS COMPANY! SO, WHAT NOW?



THE TIME HAS COME TO MOVE FROM AN IDEA TO ACTION. YOU ARE ABOUT TO TAKE THE STEP, YOU ARE GOING TO MAKE THE DECISION TO ENTER THE WORLD OF CANNED AND READY MEALS EITHER BECAUSE IT IS A BUSINESS YOU LOVE OR BECAUSE YOU HAVE THE NECESSARY SKILLS AND KNOWLEDGE.

We are not going to fool you, starting any business is complicated, involves many difficulties and is not always smooth sailing. But it's your dream and in the end efforts always pay off. You'll see!

Getting started in the ready meals and canned food industry is not easy. The food world demands compliance with rigorous standards of quality, food safety and traceability, without forgetting aspects of sustainability and social responsibility. After all, we are talking about the health and well-being of the people who consume our products. That's why the decision to start a ready meals and/or gourmet canned food business should be well thought out and properly assessed with its pros and cons.

Surely your passion for cooking has led you to make the decision to start your own business of ready meals and/or gourmet preserves.

We know you do! So, if you have already made your decision... Perfect! Here we go!

This indicates that you are a person who, through the business of ready meals and/or gourmet preserves, seeks to transmit your love for gastronomy. And, in addition, you are aware of the importance of having a good diet to take care of your physical and mental health.

Also, the current pace of life makes both the preparation of ready meals and gourmet canned food a smart way to get into the field of cooking and do it in a different way. Making life easier for those people who, due to lack of time, knowledge or interest, do not know how or cannot prepare tasty and nutritious meals like the ones you offer with your preserves.

2.

THE NECESSARY PAPERWORK TO START YOUR OWN GOURMET PRESERVED FOOD AND READY MEALS BUSINESS IN SPAIN

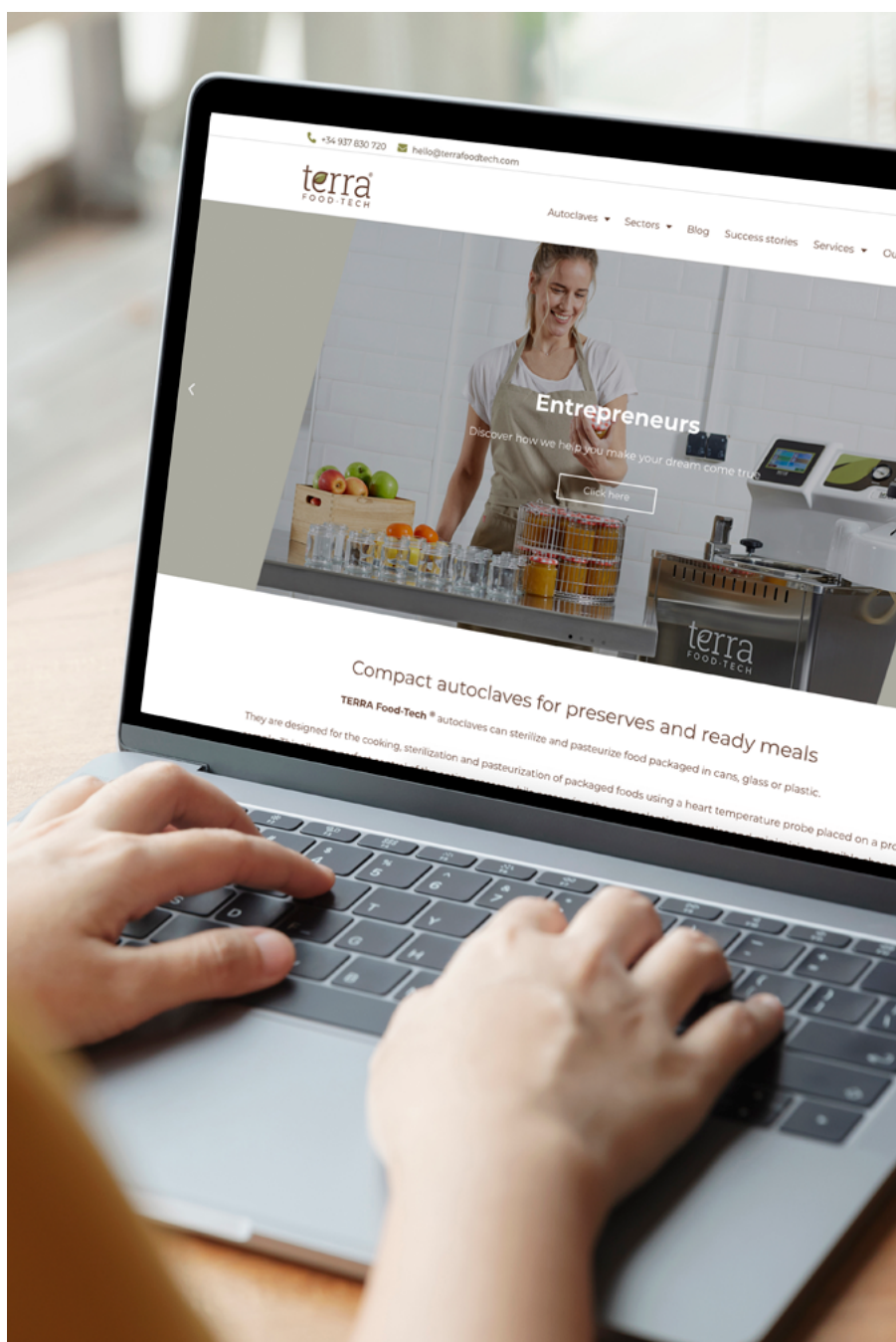
The necessary paperwork to kickstart a preserved food business will vary significantly between countries, throughout this document we will use as example the legal framework of Spain.

First of all, you must decide which legal form best suits your business needs. The most common is to become **self-employed, registering in the Special Scheme for Self-Employed Workers (RETA, for its initials in Spanish) or self-employed by means of form 037 in Spain.** In addition, you can also opt for other forms such as joining a **cooperative group or creating a Limited Company.**

All this involves registering with your Social security number, paying your respective fees and also with the Treasury under the heading of the Tax on Business Activities relevant to your sector, in addition to applying for the Business License.

It may sound a bit complicated, so we advise you to count on the help of a professional agency to process all the paperwork and be able to start your activity as soon as possible.

YOU MUST CHOOSE A LEGAL FORM AND ESTABLISH YOUR COMPANY (SOLE PROPRIETORSHIP/SELF-EMPLOYED, AS OPPOSED TO COOPERATIVE GROUP AND LIMITED COMPANIES).



3. LEGAL REQUIREMENTS

As we have explained before, the legal requirements to kickstart a preserved food business will vary significantly between countries, throughout this document we will use as example the legal framework of Spain.

The food sector is a heavily regulated industrial activity and thus starting a business or launching a product on the market is not an easy task. But don't be discouraged, there are several companies specialized in preparing all this documentation. At TERRA Food-Tech[®] we have a global group of collaborators who can help you with all the paperwork and legal requirements.

In Spain, the law on the Legal Regime of the Public Administrations and

Common Administrative Procedure determines that, in order to start an economic activity, a Statement of Compliance must be submitted to the City Council of the Municipality or the Food Hygiene General Registry of the Autonomous Community. Whether in one document or another, you must state that you comply with all the necessary requirements established by the different regulations regarding your specific business activity.

In the case of a preserved food business this means that you must have the validation of an authorized food safety inspector who will personally audit your workshop and check that you have all the pertinent permits and procedures.

In addition, although the Food Handling License is not mandatory for opening a business, it is required for all the employees that manipulate food within your company.

Here is a list of the basic documentation you should have. Remember that they may vary depending on your country and region.

YOU MUST TAKE INTO ACCOUNT ALL REGULATIONS REGARDING LABELING, PACKAGING, FOOD SAFETY REGULATIONS, ETC. WHICH ARE DIFFERENT FOR EACH REGION AND/OR COUNTRY.



3.1 PREREQUISITES MANUAL

- Control plan regarding the water used for the elaboration of your preserves, as well as for the cleaning and disinfection of your facilities.
- Cleaning and disinfection plan for your facilities.
- Control plan for pests and other unwanted animals.
- Training and education in food safety plan for your personnel.
- Supplier and creditor control plan.
- Traceability plan.
- Temperature control plan for all heating and cooling equipment.
- Maintenance plan related to facilities and equipment used.
- Allergen plan to guarantee the information presented on the label.
- Waste management plan to comply with current legislation on waste separation and disposals reduction.

3.2 HACCP MANUAL (HAZARD ANALYSIS AND CRITICAL CONTROL POINTS)

- Facility presentation and production forecasting.
- Description of the product and its characteristics.
- Product circuit in the facility.
- Production process flow diagrams
- Description of production processes.
- Table of critical points and critical control points.
- Established corrective measures.
- Designation of a HACCP team to maintain the system in effect.
- Quality system verification.
- Control of existing documentation.
- Technical data sheets of all marketed products.

Regarding labeling, the package must show all descriptive information about the product: name, ingredients, production batch identification and maximum date of consumption, according to the European Union Regulation 1169/2011 on consumer information. This data must be visible and easily readable and may not be hidden, modified or altered under any circumstances.

Keep in mind that you should keep this documentation up to date and saved, in case you receive an inspection.

REMEMBER:

at TERRA Food-Tech[®] we have a global group of collaborators who can help you with all the legal procedures and requirements.



4.

BUSINESS START-UP WE ARE STARTING!

Once all the paperwork is prepared, it is time to focus on your brand, competitors and other aspects. Pay attention because below we will detail elements that, although they usually go unnoticed, are essential for the good development of your new business of ready meals and gourmet preserved food.

4.1 MARKET RESEARCH: WHAT ARE MY COMPETITORS DOING?

**YOU MUST STUDY YOUR
COMPETITORS AND OFFER
A DIFFERENTIAL AND
UNIQUE VALUE PROPOSAL.**

Knowing the existing supply and demand and the type of customer you want to target is essential to make the right decisions. You must research your potential buyers and study the competitors in order to outperform them.

Market research must focus on 4 key aspects:

1

OFFER ANALYSIS

Identify companies that offer the same or a similar product to the one you are looking to offer and observe how they do it.

2

DEMAND ANALYSIS

It refers to the creation of your ideal customer, their life and consumption habits, among other aspects.

3

PRICE ANALYSIS

Study the prices of products that are similar to yours.

4

MARKETING ANALYSIS

What strategies your competitors use to market their products, what advertising techniques they employ, etc.

The most visual and practical tool to clearly visualize all these points is to perform a SWOT diagnosis which will allow you to analyse the weaknesses and strengths of your business and/or product as internal elements, and as external ones, you will be able to identify the threats and opportunities offered by the market.

This information should help you to set the basis of your business and build your own pillars on it, trying to provide a differential value.



SWOT



WEAKNESSES

Weak aspects and unfavorable factors of your business



THREATS

External elements that could put your company at risk



STRENGTHS

Your company's strong features, capabilities, resources and advantages



OPPORTUNITIES

External environmental factors that are positive and favorable for your company

4.2 FACILITIES AND REQUIRED EQUIPMENT: WHAT DO I NEED TO MAKE MY PRESERVED FOOD AND READY MEALS?

For gourmet production, i.e. small-scale or semi-industrial production, it is essential to have appropriate facilities, which must first meet food safety and civil protection requirements established for that type of production:

- Floors and walls made of easy to clean materials.
- Non-slip and rodent-proof flooring.
- Window closing systems that prevent contaminants or pests from entering.
- Available spaces for and appropriate storage of raw materials and finished products.

The facility must also be accessible by road and have all the necessary services such as electricity, gas and water.

In terms of necessary equipment, you should have:

- A refrigerator
- A preserved food autoclave
- An oven
- A microwave
- Several induction stoves

The autoclave, as stipulated in the Spanish Food Code, is a mandatory piece of equipment for the correct sterilization of hermetically sealed preserves or ready meals.

Another option to keep in mind is that some administration entities offer the possibility of participating in an already established collective or community workshops.

These are shared workshops that have all the necessary machinery to carry out our production without having to invest excessively from the first moment, so we can check the viability of our business and have advice during the beginning of the activity.



YOU SHOULD STUDY THE SPACE AND REQUIRED EQUIPMENT TO BE ABLE TO PRODUCE YOUR OWN PRESERVED FOOD AND PACKAGED READY MEALS.



4.3 SUPPLIERS

FROM WHOM CAN I BUY THE RAW MATERIALS OR INGREDIENTS I NEED FOR MY PRESERVED FOOD OR READY MEALS?

If we are not producing huge quantities, local food markets are the most profitable option for obtaining the necessary raw materials. Although it is true that, nowadays, there are other options such as:

- Have your own orchard and make preserved food with the fruits and vegetables the land gives you.
- Dealing directly with the producer, be it a farmer, livestock farmer, beekeeper, etc.
- Sourcing through intermediaries, who take care of the selection and transportation of the required materials.
- Work with social entities that employ people at risk of social exclusion and that are dedicated to fruit and vegetable production.

Thanks to this last option, your business will have the added value of commitment to people, the environment and sustainable development.

IT IS VERY IMPORTANT TO SELECT SUPPLIERS CORRECTLY WHEN BUYING RAW MATERIALS OR TO TAKE ADVANTAGE OF OUR OWN SURPLUS, IN THE CASE OF RESTAURANTS AND FARMERS.

4.4 PRODUCTION AND DISTRIBUTION PROCESSES:

THE KEYS TO SUCCESS WITH YOUR PRESERVES OR READY MEALS

YOU MUST FIND THE BEST WAY TO MAKE YOUR PRODUCTS AND HOW TO DISTRIBUTE THEM, SO THAT THEY CAN REACH AS MANY PEOPLE AS POSSIBLE.

Multiple details must be considered while planning the production and distribution of your food products. When preparing your product, it is essential to consider that each food requires a specific heat treatment. When it comes to cooking, packaging and sterilizing your preserves and ready meals, we advise you to request the services of an external laboratory specialized in food technology to evaluate your production process, formulations, ingredients, type of packaging and product shelf life.

You should also think about the labeling and packaging of your finished product.



Glass jars offer a longer shelf life and can be transported anywhere. They are easy to acquire and manipulate but weigh more than other options.



Plastic containers are more resistant and offer the easiest storage.



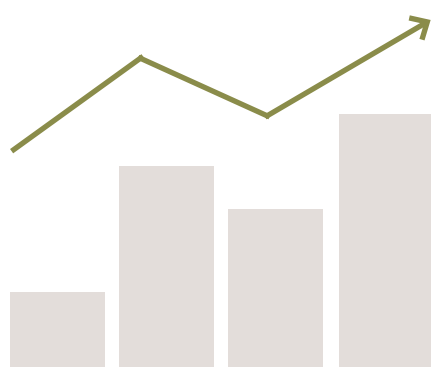
Remember that when you purchase a TERRA Food-Tech[®] autoclave you will receive a food consultancy service and also unlimited technical support. This assistance will guide you in everything you may need.

4.5 FINANCING

YOUR OWN PRESERVES SHOULD PAY FOR YOUR INVESTMENT.

If you need to borrow money, we advise you to prepare a Business Plan to present it to financial institutions or potential investors.

Money does not fall from the sky, and you know it well. Any business requires financing and, although this is hard work and involves knocking on the doors of many banks to apply for a loan or line of credit. Doing all this can be easier with a well structured Business Plan, which you can also use to present your company to the necessary institutions and entities in search of grants and other types public or private financial aid.



In addition, the Business Plan will help you to define your objectives, so we recommend you to do it even if you do not need financing, in order to better assess the feasibility of your idea.

4.5.1 BUSINESS PLAN

Your Business Plan must include basic elements such as the name of your company, a summary of your activity and a description of your products and/or services, and it must also include:

- Company organization.
- Short, medium and long term objectives.
- Market research with a SWOT analysis.
- Source of capital and financing.
- Financial expectations: profit forecasting, expense management, etc.
- Implementation plan.
- Marketing and sales plan.
- Partnerships or agreements.

5. **START NOW! NOW IT'S TIME TO PRODUCE AND SELL!**

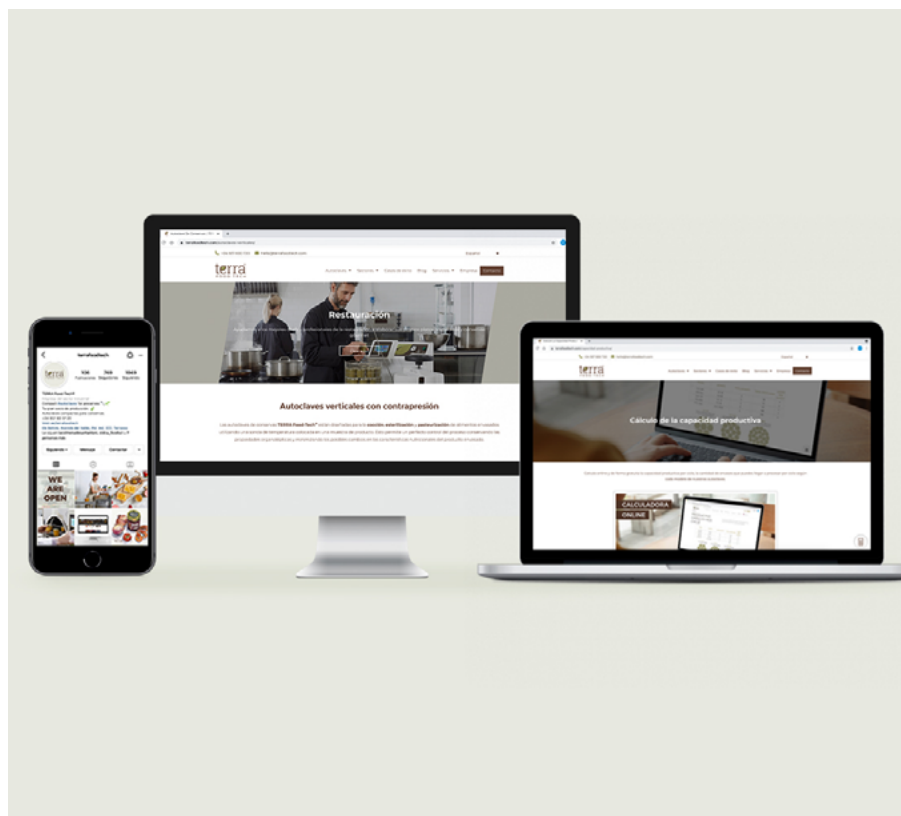
WE ADVISE YOU TO STUDY AND DEFINE YOUR BRAND IMAGE AND PRODUCT IN THE BEST WAY, YOU SHOULD ALSO CREATE A WEBSITE AND BE PRESENT IN SOCIAL NETWORKS, IN ADDITION YOU SHOULD TAKE ADVANTAGE OF THE CURRENT MULTIPLE DISTRIBUTION CHANNELS, SUCH AS ONLINE SALES AND/OR DISTRIBUTION IN PHYSICAL STORES, IN ORDER TO REACH A GREATER NUMBER OF BUYERS.

5.1 MARKETING AND SALES PLAN

Although all parts of a Business plan are essential, we emphasize this section for its breadth and importance, as it involves many fields that, sometimes, due to lack of knowledge, go unnoticed. Due to the rising number of competitors, especially online, it is increasingly important to make yourself known and to establish the positioning of your product or service in the market, i.e. your image and

what customers think of you. The list of elements to consider is endless, since in addition to the philosophy and mission of your business we must also take into account multiple aspects:

- Concerns and interests of our different consumers.
- How we want to distinguish ourselves based on the price and/or quality of our product.
- Our image and advertising actions.



5.1.1 TAKE CARE OF YOUR BRAND IMAGE AND CREATE A SALES STRATEGY

In order to generate a brand image and establish a strategy in terms of sales, we advise you to:

- Create an attractive logo that defines your value proposal, what really makes you unique and different from others.
- Design packaging and labels to stand out from your competitors.
- Having your own website, where you can explain the qualities of your product and, if you want, also an online store to reach your consumers directly, without intermediaries.
- And don't forget to be present in the social networks where your

customers interact in order to generate brand awareness, that is, to make your brand known so that your potential consumers remember it and hear about you.

- You can also advertise locally or on the Internet to reach more potential customers.
- Or take advantage of the various possibilities offered by social networks to sell your products, for example directly on Facebook or Instagram, or go to portals or online stores that can sell your product.

You are not alone! It is impossible to do it all by yourself, so we recommend that you hire the services of advertising agencies or graphic design professionals.

You may think that this section is the

least important, however, optimal communication can make the difference between the right thing and excellence, especially when it comes to your sales.

THE BIG MOMENT HAS ARRIVED!

Once you have analyzed and worked through all the aspects we have detailed, the easiest moment will come, what you do best: producing your canned food or packaged ready meals for sale.



ARE YOU UP FOR IT?

WELCOME TO THE EXCITING WORLD OF GOURMET PRESERVES AND READY MEALS!

FROM TERRA FOOD-TECH® WE OFFER YOU THE BEST TECHNOLOGICAL SOLUTION TO PRODUCE YOUR OWN READY MEALS AND GOURMET PRESERVES.

- Equipment designed to **cook, pasteurize*** and **sterilize** any food in all sorts of containers.
- Easy to use, with touch screen, with a capacity to store **up to 50 programs** to produce fifty different products.
- Flexible production capacity, with equipment ranging **33 to 175 liters**.
- Programmable cycles for **temperatures from 50°C to 130°C**.
- Specific professional support for restaurant owners, cooks, chefs, entrepreneurs and local producers**, we provide training, technical preparation and personalized advice in the start-up and development of your products.



The purchase of an autoclave includes a food consultancy service, that includes:

- Initial assessment.
- Productivity analysis.
- Autoclave treatment technical report.
- Stability tests in ovens.
- Recommendations.
- Technical support by phone and e-mail.



*Pasteurization requirements may vary depending on the acceptance criteria of each country. Check local regulations to determine the suitability of our equipment for your specific application.

Calculate your production capacity per cycle with our free online calculator



download your report in PDF
www.terrafoodtech.com



Contact us for further information

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