

# Arkansas Food Innovation slices and dices a path for new businesses:

## *A Way to Grow*

BY DAVE EDMARK

There's a place in Fayetteville where nonprofits, entrepreneurs and the local foods movement all connect: Arkansas Food Innovation in the Food Science Department of the University of Arkansas System Division of Agriculture.

Arkansas Food Innovation represents an evolution of a facility that was built as a pilot processing plant used by faculty to pursue food research projects and to train students on the latest industry methods.

Now the plant has another function. With the rise of foodie culture and a growing trend in Arkansas toward businesses specializing in local foods, the Food Science Department saw an opportunity to help entrepreneurs launch their ideas. Using a fee-based system, the center not only makes the pilot plant available to new businesses for commercial processing but also offers packaging and labeling services in a highly regulated field.

Processing a product is costly and requires strict adherence to federal and state regulations. Access to the appropriate facilities may be more than an entrepreneur can afford in the early stages of operations.

"Depending on the type of product and if the product will be sold commercially, making those products in your home is not legal. You would have to go to a certified location for production," said Jean-François Meullenet, head of the Food Science Department. "Typically, that could be a restaurant, but restaurant kitchens are being used full time. Getting small-scale operations to manu-

facture products is not easy for entrepreneurs. The idea behind Arkansas Food Innovation was to help the small-sized farms and entrepreneurs."

Meullenet recalled attending meetings with local small farmers who said they didn't have a place to process products to be sold commercially. For a few decades, the department's facilities have been available to industry for small-scale processing. But until recently, nothing produced at its plant could be sold because the federal Food and Drug Administration had not approved the plant as a food manufacturing facility. So, the department modified the plant to conform to FDA requirements then obtained FDA approval and a certificate from the state Health Department.

### **On-site expertise**

Businesses that use Arkansas Food Innovation provide their own labor or they can hire food science students on an hourly basis to help with processing. Mike Davis, the pilot plant manager, is on site to provide expertise. Equipment in the plant enables client businesses to heat products, sterilize bottles, slice and dice large quantities of vegetables, blend ingredients, produce dough, dehydrate fruits and vegetables, process products in metal cans, pasteurize juices and perform other tasks.

The plant also has a labeling machine and has the software to produce the FDA-mandated nutritional label. "For a fee, the company provides a recipe, and we produce a

**FDA APPROVED** — Processing a product is costly, highly regulated and requires access to a certified manufacturing facility — something many entrepreneurs can't afford in the early stages of operations. Using a fee-based system, the pilot plant offers an affordable option to new businesses for commercial processing, packaging and marketing services. 



A.B. Merritt (top left) mixes ingredients for Bernice's Hummus, a product she and business partner Denise Rohr have developed with the help of Arkansas Food Innovation since April 2013. Their product is available in Fayetteville at Ozark Natural Foods and Marvin's IGA.

A volunteer (above) with Feed Fayetteville, a local anti-hunger organization, processes produce donated from the city's farmers' market. Before the organization began working with AFI, it was collecting more donated produce than it could safely distribute to the local food pantries.

Ross Barber (below) bottles and labels simple syrup (pictured left) from Pink House Alchemy, a local startup that specializes in simple syrups for use in cocktails and coffees.



Fred Miller

A.B. Merritt

Photo courtesy of Feed Fayetteville

Kat Wilson

Fred Miller



◀ **RESOURCES** — (top photo) Dr. Steve Seidemann helps label containers while he confers with A.B. Merritt, center, and Denise Rohr about new outlets through which to market their Bernice's Hummus products. (center photo) A volunteer samples pesto made using the pilot plant for Feed Fayetteville. (bottom photo) Pink House Alchemy sells flavored syrups bottled at AFI at a local farmers' market.



customized nutrition label,” Meullenet said. “The equipment would be difficult for people to get and a labeling machine like this is quite expensive.”

“Approximately 25 percent of all manufacturing in Arkansas is food processing, hosting many name-brand products,” said Steve Seideman, an extension food processing specialist in the Food Science Department. “With the recent downturn in the economy coupled with the popularity of farmers’ markets and the concept of local foods, many people are interested in developing food processing companies. Although the Division of Agriculture has always helped individuals with marketing their food ideas, the recent escalation in interest coupled with Arkansas Food Innovation has brought out the success of many local entrepreneurs.”

### Benefits for nonprofits

Nonprofit organizations can also use the center’s services and facilities. Feed Fayetteville, a local anti-hunger organization, obtained donated produce from the city’s farmers’ market and brought it to AFI. The university then spends the following week processing the produce into food for distribution.

“We’ve produced items like fruit leathers for Feed Fayetteville,” Meullenet explained. “We’ve also dehydrated products and made products with kale.” Products made for Feed Fayetteville have included kale chips, veggie chips, applesauce, blackberry vinaigrette, pepper relish and pesto. The center also processed a veggie chili for Feed Fayetteville to sell as a fund raiser.

Before Feed Fayetteville began working with AFI, it was collecting more donated produce than it could safely distribute to the local food pantries, said executive director Adrienne Shaunfield. The kitchens it used weren’t FDA certified. She said that when she learned about Arkansas Food Innovation, “it was the perfect solution for us to be able to provide locally grown foods to those in need.” Efforts such as Feed Fayetteville’s Canning Hunger program to preserve locally grown food for hunger relief would benefit from the new association with the center.



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—Adrienne Shaunfield, Feed Fayetteville

“Plans were put into place to begin this partnership last spring once the farmers’ market season began,” Shaunfield said. “We taste-tested products with local Boy Scout troops and Head Start children to narrow down our product line. Through the support of the Arkansas Community Foundation’s Future Fund, we are now able to purchase produce from the farmers rather than it being donated.”

The Fayetteville School District has also used the center's services. School personnel bought 3,400 pounds of tomatoes from the local farmers' market and delivered them to the university, where AFI staff and volunteers processed them into 221 gallons of tomato sauce packaged into 100-ounce boilable plastic bags to be frozen until time to use.

## Small Business

Several commercial businesses have begun using the center, which Meullenet described as an incubator from which they will graduate and move onto the next level. One recent success story is Oh Baby Foods, founded by Fran Free of Fayetteville, a graduate of the UA Dale Bumpers College of Agricultural, Food and Life Sciences. The center assisted her in making prototype samples of her products and pilot testing of her recipes. Today, Oh Baby is a national brand processed in California and sold at retail by Whole Foods.

A Fayetteville business in its early stages, Pink House Alchemy, came to Arkansas Food Innovation after its owners learned that its products would need to be manufactured in an approved facility before being sold. Pink House Alchemy specializes in simple syrups for use in cocktails and coffees.

Emily Lawson, who owns the startup business, said her group needed to get a system in place to grow their wholesale business when Free told them about her involvement with Arkansas Food Innovation. "I don't know where we would be without the university kitchen right now," Lawson said. "It's been an unbelievable resource for us to use an FDA-certified kitchen. Having a team to help you get it right is invaluable."

Pink House Alchemy (identified on its product labels as pH Alchemy) uses the pilot processing plant kitchen on Wednesday and Thursday mornings. It's been a natural fit for the company, which began by producing syrups for Arsaga's, a Fayetteville coffee house, and selling them at the farmers' market. Lawson said the time came to change, grow and market to other coffee houses.

"We had kitchen space at a restaurant and at our house, but we were still learning what to do and we needed space," she said. "They (Arkansas Food Innovation) were able to take us to the next step. We had a conversation about where we saw the business going and how much volume we could produce."

After about six months using the university facilities and doubling its work output, Pink House Alchemy is looking toward the next phase in pursuing a wholesale business with heavier volume. "We don't want to stay a

**SUCCESS STORY** — Fran Free of Fayetteville made prototype samples of her product, Oh Baby Foods, and pilot tested her recipes with the center's assistance. Today, Oh Baby is a national brand sold at retail by Whole Foods.

small entity," Lawson said. "We have natural growth patterns that we're following. Being a cottage industry, we have to grow with what we're producing. We haven't taken out big loans, we're trying to let it grow organically."

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—Emily Lawson, Pink House Alchemy

Pink House Alchemy's future plans call for getting financing for marketing and pushing sales toward national distribution. Its story is what the Arkansas Food Innovation staff hopes to see duplicated among its client businesses. Meullenet noted that its services extend only to food processing-related issues. The clients need to obtain their marketing and financial advice elsewhere, but some clients create business plans through the entrepreneurship program at the UA Sam M. Walton College of Business, which has referred some of its clients to AFI.

"The whole idea is to foster the creation of new businesses in the area," he said. "We're trying to provide an example for the state." ■

