Food Business in New Mexico

Guide E-510

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Many people dream of owning their own business and marketing a family recipe. How many times have you heard "you should sell this stuff"? Many of the huge food businesses such as Kraft, M&M's/Mars and Bueno Foods started as small family enterprises. There are always opportunities for new food products in today's marketplace. This publication outlines the necessary steps to move that dream to reality.

Who are food business entrepreneurs?

Many food-processing businesses start as a family business that is vertically integrating from the family farm, or as an expansion of a restaurant. Most food business entrepreneurs are creative types, food artists who enjoy creating new foods and flavors. A food business adds to the family income that can be a hobby or a major enterprise employing hundreds of people.

What types of food products are made?

New Mexico is known for red and green chile peppers and has spawned many fresh and canned salsa and chile products. There are many other products such as barbecue sauces, pasta sauces and salad dressings that incorporate New Mexico's chile. Breads, cookies and tortillas are mostly sold in local markets including farmers' markets. Several types of cheese including flavored goat cheese also are produced in New Mexico. Most New Mexico meat products are custom orders; however, the state of New Mexico has a thriving beef jerky industry. With a good supply of local pecans, pistachios and peanuts, chocolate confections and other candy are well known outside of the state. Natural and organic teas and herbs are widely available throughout the state. Because of the success of current New Mexico food products, there are many more opportunities for new innovations.

Where are food products made?

To operate a food-processing business in New Mexico, one must have a permit and the product produced in a commercial facility as per New Mexico Environment Department (NMED) food service and food processing regulations (7.6.2 NMAC August 2000). Many food businesses start out in rented space from a restaurant during off-hours or have a small commercial facility on their residential property. Others may use an incubator kitchen that provides the needed equipment and can be rented by the hour. As a company grows, the actual production of the product is found to be very time consuming, and the business owner may want or need to focus on marketing, promotion or distribution of the product. A co-packer or contract processor has a permitted commercial facility that can make large quantities of product attractive to a smaller firm because it handles larger volumes of product and may reduce cost of production compared to smaller batches.

How can a home recipe be commercialized?

So how do you make grandma's recipe into a commercial success? Success of a food business is gained by hard work, good business management, imagination and faith in your product. The first step is to consider how the product might compete in the market. What does your product offer to the consumer compared to other products already on the market? A mom-and-pop company is not enough of a hook to engage a consumer sufficiently to purchase a product, especially on a repeat basis. A food product must be wholesome, somewhat nutritious and offer a consumer an experience that will provide comfort or a change of pace, something exciting. Repeat purchases and proper product placement on grocery shelves become critical to grow the business.

Faulty food-business management including miscalculated marketing schemes and poor distribution are more often the demise of a food company than the merits of the food product.

COMMERCIALIZING A PRODUCT

Initial product development will consider how the product will be sold: fresh, frozen, canned, at a farmer's market, grocery store, direct sales or through food service. There are many steps to follow to commercialize a food product: safe process evaluation, packaging and labeling, business structure, product liability, facilities and equipment, permits and regulations, food safety and security. Each of these factors needs a closer look.

Safe Process

Once the concept of the food product has been developed, the recipe must be evaluated to ensure that a safe process is followed. A "Process Authority" must be used to review the formulation and processing steps of an acidified or low-acid product. As defined in the Code of Federal Regulations (21CFR113.83 and 113.89), "A processing authority is a person who has expert knowledge of thermal processing requirements for low-acid foods packaged in hermetically sealed containers, or has expert knowledge in the acidification and processing of acidified foods. Knowledge can be obtained by education, experience or both. Expert implies experience, knowledge and achievement as well as recognition as an authority on a subject, usually by one's peers. Anyone who is establishing scheduled processes must have adequate facilities for making the appropriate determinations (21 CFR 113.83). Anyone who is evaluating processes which are less than the scheduled process must utilize procedures recognized by competent processing authorities as being adequate to detect any potential hazard to public health (21 CFR 113.89)."

Packaging and Labeling

Packaging and labeling issues should be thought out early in product development, because how the product will be sold—refrigerated or shelf stable—impacts the packaging container. The size of the label depends on the size and shape of the container. A gallon container needs more than a 2-inch label. The character font used must be legible and large enough to read from a reasonable distance. The U.S. Food and Drug Administration (FDA) has requirements for the format or layout of the label for specific content as specified in Federal Code of Regulations (21CFR 101.1-101.9). Although FDA does not require prior label approval, New Mexico Environment Department (NMED) and United States Department of Agriculture (USDA) regulations require prior approval of labels before printing. Specific labeling information can be found at:

- Food label: www.cfsan.fda.gov/~dmsflgtoc.html
- Nutritional food labeling: www.cfsan.fda.gov ~dms/nutrguid.html
- Universal product code (UPC): www.uccouncil.org/

Questions concerning the labeling of food products may also be directed to:
Division of Programs and Enforcement Policy (HFS-155), Office of Food Labeling Center for Food Safety and Applied Nutrition, Food and Drug Administration, 200 C Street, S.W., Washington, DC 20204; telephone (202) 205-5229.

BUSINESS PLANNING AND MANAGEMENT

All successful new businesses require careful planning and management. Because businesses that produce and sell food can have a direct effect on public health and safety, they face increased government and consumer scrutiny. Food businesses must comply with numerous government regulations, making their development, operation and success even more difficult.

Individuals interested in starting a food-processing business must gain a general understanding of business management issues before beginning a food-processing business. Additional and more specific information should be gathered from qualified professionals noted in the reference section.

Business Structure

One of the first decisions that an entrepreneur must make when developing a new business is which legal structure will be used for the business. A number of business structures should be considered. Each structure has advantages and disadvantages. Income tax advantages are usually cited as a reason to prefer one form over another. The assistance of a qualified tax professional can avoid many headaches and save some tax dollars. Some of the more common structures used in the food processing industry include (Small Business Administration, 2004):

- Sole proprietorships
- Partnerships
- Limited Liability Companies and Partnerships
- Corporations
- Cooperatives

Sole proprietorships. Sole proprietorships are the most common form of business structure for small businesses. A sole proprietorship offers the owner (usually one individual or a married couple who is responsible for routine operation of the business) complete control of the busi-

ness. In reward for their efforts, the proprietor receives all business profits, but assumes responsibility for all risks and liabilities. This responsibility extends to the owner's personal assets; that is, the owner has unlimited liability and is legally responsible for all business debts. Both business and personal assets are at risk under the sole proprietorship form of business ownership and structure.

Partnerships. Partnerships, which include general (i.e. normal) partnerships, limited partnerships and joint ventures, extend ownership from one individual to two or more individuals. Partnerships usually require shared management of the business and should be created with specific agreements regarding the management of the business (e.g., how decisions will be made, how profits will be distributed, how disputes will be handled and how future growth or termination will be handled). As is the case with sole proprietorships, individual owners in a partnership are responsible for all company liabilities (relief from this personal liability is found in limited partnerships). In the case of a general partnership, individuals may also be responsible for the decisions and actions of other partners within the business as well.

Limited Liability Companies and Partnerships. A relatively recent development in business structure is the development of limited liability companies or partnerships. These hybrid forms of business ownership combine the advantages of several different ownership structures. Specifically, they extend liability limitations (similar to those of a corporation) and maintain certain tax advantages of simpler structures (e.g., partnerships). Advantages of limited liability companies come with stipulations; usually limited liability companies may not have more than two of the four primary characteristics of corporations: limited liability of assets, perpetual life, management centralization and free transferability of ownership interests.

Corporations. A corporation is considered a separate entity from its owner(s). A corporation can be taxed or sued, it may enter into contractual agreements and it has a perpetual life (its life is not affected by ownership). Shareholders of a corporation own the business. Management is generally performed by a shareholder-elected Board of Directors (who may elect a management team, e.g., president). Benefits of corporate structure include: limited liability for owners (shareholders), perpetual life, ease of ownership transfer and ease of capital acquisition. Disadvantages include possible higher taxes (taxes must be paid by corporate entity and by shareholders from dividend distribution) and complexities of creation and maintenance.

Cooperatives. Often used by agricultural producers, cooperatives provide a unique business format conducive to allowing individual producers or processors the ability to cooperate. Most cooperatives are organized as a special type of corporation (subchapter T) and must be chartered within a state. The tax issues are much too complex to deal with in this publication. Common guiding principles for cooperatives include: open membership with democratic or proportional voting cooperative control, patron provided equity, and net income distribution on cost basis through patronage refunds (Cobia, 1989). A relatively recent advancement in cooperative organization is the development of "new generation" cooperatives.

New generation cooperatives have several unique characteristics that distinguish them from more traditional cooperatives. These characteristics include: delivery rights and requirements tied to equity investment, closed or limited membership, higher initial investment requirements and ability to transfer appreciable (and depreciable) stock or delivery rights (Bielik, 2004).

	Ease of organization	Control / management	Liability	Taxation	Initial capital creation	Continuity of life
Sole Proprietorship	+	+	-	+	-	
Partnership	+		-	+	+/-	
Corporation			+	-	+	+
Limited Liability Company			+	+	+	
Cooperative			+		+	+

Figure 1. Abbreviated summary of business structure advantages and disadvantages

Specific advantages and disadvantages to each of these forms of business structure can be studied at the United States Small Business Administration (SBA) Web site at www.sba.gov. In addition, the SBA Web site provides other important tips for beginning a new business.

Business Planning

In addition to determining the appropriate business or legal structure, food entrepreneurs must consider a number of other issues and develop management strategies for each issue. Key among these considerations is the implementation of a feasibility study and the development of a working business plan.

Feasibility Study. A feasibility study is a companion to the business plan (in some cases such as small business ventures, the feasibility study is included as a section within the business plan). It is a preliminary analysis of the product and business idea to determine if the idea is viable (Reilly and Millikin, 1996). Information gathered in the feasibility analysis can be used in the development of a formal business plan. A well-executed feasibility analysis will help determine whether or not the product, the market and the entrepreneur's management skills and financing will likely combine to create a success. Common elements contained in a feasibility study include: an assessment of the market, the financial feasibility of the business and potential pitfalls that may be encountered in the development of the business.

Business Plan. A business plan helps lay the roadmap for a new (or existing) business. While plans for different business ventures will vary, all business plans should address:

- Business description and situation analysis
- Market analysis and planning
- Financing
- Management

The business description and situation analysis should provide both the entrepreneur and potential outside stakeholders (e.g., partners, financial resource holders, etc.) a concise but complete description of the business. Included in this section should be a description and an analysis of the current business climate in which the new business will operate. Much of this information will have been obtained in the development of the feasibility study.

The market analysis section of the business plan will continue with the work previously performed in the feasibility study. Specific considerations within this section will include a summary of market research, a detailed analysis of competitors (e.g., identification of competitors, their strengths and weaknesses, etc.), an analysis of the proposed business (e.g., identification and analysis of the proposed business' strengths and weaknesses), projections of future sales, and proposed strategies relating to the business' marketing mix (development of strategies relating to pricing, promotion, place and positioning of the proposed product).

The financing segment of the business plan will provide a complete and detailed look at financial resources the business will require (based on the assumptions and analysis performed in other sections of the business plan and the feasibility study), including owner-supplied funds and borrowing needs. The section should include proforma financial statements including income statements, cash flow (budget or forecast) and balance sheets.

The management section will help outline management structure and strategy as it relates to the business. Specific strengths and weaknesses of potential management should be identified with plans developed to help ensure that adequate management skills are provided for the successful launch of the business.

Liability Protection

Product liability insurance is required of all food processors by grocery stores and distribution companies. Product liability insurance can be an attached rider under a homeowner's policy. Check with your insurance agent or even online for the best policy coverage (minimum $3 million) and premium payment. Other types of liability protection to be considered are life insurance, general business liability insurance, auto insurance to cover vehicles used for business purposes and disability insurance for employees. The type of insurance needed may also depend upon the structure of business ownership.

Facilities and Equipment

Building a certified kitchen requires considerable capital outlay and time investment to ensure that all local, state and federal building codes are followed to ensure a safe food processing facility. Commercial food products cannot be made in a residential kitchen. A separate room or facility must be built. Wants and needs must be clearly defined when considering a private food-processing kitchen. That pretty Mexican tile is beautiful but may be inappropriate for wet floors and cleanability. A state of the art mixer with a 100-gallon bowl may be nice but a 20-quart bowl might suffice for the first year or two of production. Consider purchasing equipment with pieces that can be adapted and changed as the company needs increase. Before embarking on a huge expense, you want to consider all the options available to you especially for a new venture. Certified commercial facilities or incubator kitchens are available throughout New Mexico (Table 1) that provide major mid-sized equipment and can be rented by the hour. Some of these facilities have support personnel that can help with recipe development, safe food processing procedures and marketing and business plan development. Renting a certified permitted church kitchen or restaurant during off hours are also options. Many businesses start in rented facilities then move into a private commercial food processing facility once the business is established. Avoiding large investment in facilities and equipment and thus, the fixed debt payments that follow, is a major step in managing risks and rewards during the start-up phase of a small business.

Permits and Regulations

In addition to obtaining a permit to operate a food-processing facility, each business must have a tax identification number from the New Mexico Taxation and Revenue Department. A business license may also be

needed depending on the town and county location of the processing facility. Other permits and regulations depend upon the product. The City of Albuquerque Department of Health inspects food businesses within the city limits. Table 2 shows examples of commodities and regulatory agency and required permits. It is important to establish a good working relationship with state and federal regulatory agents and inspectors early in business and product development. New Mexico Department of Environment has an environmentalist in every county (Table 3) who is responsible for inspecting restaurants and food processing facilities. These inspectors have many years of experience and can offer assistance in meeting building codes and issues with food safety and process control. If there are issues with your product or commodity, the regulators can be helpful in bringing things under control quickly.

Food Safety and Biosecurity

There are various systems that are mandated by state and federal law to improve food safety. All of these systems require careful consideration of the process, facility, personnel and protection of the final product. All personnel must be trained, understand the principles of the food-safety plans and must follow these procedures. Additionally, these systems require complete documentation and a recall procedure in case of contamination, mislabeling or misuse of the product. To fully implement these systems the product must be tested for pH, water activity and microbial stability especially in the case of acidified and canned foods, which are considered "ready to eat." Breads and tortilla products must have a water activity below 0.95 to be unrefrigerated. One or more food safety systems that may apply to your food product include:

Hazard Analysis and Critical Control Point, or HACCP (pronounced hassip). This is a preventative system rather than the typical reactive system such as sampling and inspection of food products after manufacturing. Many HACCP principles already are in place in the FDA-regulated, low-acid canned food industry and the seafood and juice industries. More information can be found at:
www.cfsan.fda.gov/~comm/haccpov.html

Good Manufacturing Practices (GMPs). GMPs are operational sanitation procedures for personnel, facility, grounds and proper maintenance of equipment. These practices are basic to any food processing operation and are required by law (21CFR110.3). These regulations are currently under review by the FDA. Complete details can be found at:
www.cfsan.fda.gov/~dms/cgmps.html

Good Agriculture Practices (GAPs). The goal of the GAP project is to reduce microbial risks in fruits and vegetables by providing educational material for a food safety plan to food producers and educational professionals associated with agriculture. This is not a mandated program; however, brokers and distributors are asking food producers and processors to pass third-party inspections based on GAP requirements. Information can be found at: www.chiletaskforce.org/otherprojects/tech/gap/GAP_proj.html

PUBLIC HEALTH SECURITY AND BIOTERRORISM PREPAREDNESS AND RESPONSE ACT

The events of Sept. 11, 2001, reinforced the need to enhance the security of the United States. The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (the Bioterrorism Act), was signed into law June 12, 2002 (entire document can be found at: http://www.fda.gov/oc/bioterrorism/bioact.html). The Bioterrorism Act, section 305, added section 415 to the Federal Food, Drug, and Cosmetic Act to include **registration, administrative detention, record keeping** and **prior notice** to provide FDA with information on the origin and distribution of food and feed products and thereby aid in the detection and quick response to actual or potential threats to the U.S. food supply.

Registration of food processing facilities

The Bioterrorism Act requires domestic and foreign facilities to register with FDA as of December 12, 2003, if they manufacture, process, pack, or hold food for human or animal consumption in the United States. The purpose of registration is to provide FDA with sufficient and reliable information about food and feed facilities. Registration information also will help FDA to notify facilities that may be affected by the actual or potential threat. Electronic registration via the Internet is possible: www.cfsan.fda.gov/~furls/ovffreg.html

A copy of this form may be obtained by writing to U.S. Food and Drug Administration, HFS-681, 5600 Fishers Lane, Rockville, MD 20857, or by requesting the form by phone at (800) 216-7331 or (301) 575-0156. Complete the form legibly and mail it to U.S. Food and Drug Administration, HFS-681, 5600 Fishers Lane, Rockville, MD 20857, or fax to (301) 210-0247.

Administrative detention

The Bioterrorism Act authorizes FDA to detain an article of food for which there is credible evidence or information indicating the presence of a threat of serious adverse health consequences or death to humans or ani-

mals. This authority is self-executing and provides an added measure to ensure the safety of the nation's food supply. By regulation FDA has procedures for instituting on an expedited basis certain enforcement actions against perishable foods subject to a detention order. For a full explanation of this provision of the Bioterrorism Act, see: www.cfsan.fda.gov/~dms/fsbtac21.html

Recordkeeping

The Bioterrorism Act requires the establishment and maintenance of records for not longer than two years by persons (excluding farms and restaurants) who manufacture, process, pack, transport, distribute, receive, hold or import food. The records that must be kept by these regulations are those that are needed by FDA, identifying the immediate previous sources and immediate subsequent recipients of food, including its packaging, in order to address credible threats of serious adverse health consequences or death to humans or animals. For complete information see: www.fda.gov/oc/bioterrorism/records_fs.html

Prior notice of importation

The Bioterrorism Act requires that FDA receive prior notice of food imported into the United States, as of December 12, 2003. Previously only the Bureau of Customs and Border Protection (CBP) was notified when foods arrived in the United States. The FDA will use this information in advance of the arrival to review, evaluate and assess the information and to determine whether to inspect the imported food. The FDA and CBP have collaborated on the implementation using CBP's Automated Broker Interface of the Automated Commercial System (ABI/ACS), which can be accessed at: www.cfsan.fda.gov/~pn/pnoview.html

Where to go for additional help:

FDA Starting a Food Business

The primary focus of FDA as a regulatory agency is food safety so it does not offer financing or business tips for starting and maintaining a business. However, FDA offers information on food safety guidelines and regulations it has established that are required for informative labeling and the safe preparation, manufacture and distribution of food products. This information is located at: www.cfsan.fda.gov/~comm/foodbiz.html

The Food Technology program at New Mexico State University

New Mexico State University responded to a grassroots stakeholder initiative by developing and implementing a Food Technology program. Since 1993, the Extension Home Economics Food Technology program has assisted food producers in the state by providing information on food regulations and with services such as process review of acidified foods and analysis for nutritional labeling.Food processors receive direct technical assisance for product development, labeling and marketing of new food products. Please see: spectre.nmsu.edu/dept/academic.html?i=706&s=sub

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Bielik, Michelle. "New Generation Cooperatives on the Northern Plains." The Agri-Food Research & Development Initiative (ARDI) and University of Manitoba online publication. Last accessed on October 11, 2004. www.umanitoba.ca/afs/agric_economics/ardi/

Reilly, Michael and Norman L. Millikin. "Starting a Small Business: The Feasibility Analysis." Montana State University Extension Service Publication MT 9510. Community Development E-13 (August 1996).

United States Small Business Administration. "Business Planning." Online resource last accessed 10/15/04. www.sba.gov/starting_business/planning/basic.html

Table 1. Food business incubators.

Name	Address	Phone and e-mail
Ganados del Valle- Cocina del Valle	P.O. Box 118, Los Ojos, NM 87551	(505) 588-7896 ganados@cvn.com
Northern NM Community College Commercial Kitchen	921 Paseo De Onate, Espanola, NM 87532	(505) 753-8952 cgenterprize@yahoo.com
Questa Artesanos Cocina	Questa, NM	(505) 586-0443 raelvigil@yahoo.com
Rio Grande Community Development Corporation	1608 Isleta Blvd, Albuquerque, NM 87105	(505) 452-8525 rgcdc@swcp.com
Taos County Economic Development Corporation- Food Center	P.O. Box 1389 Taos, NM 87571	(505) 758-8731 tcedc@laplaza.org

Table 2. Commodity food products and regulating agencies.

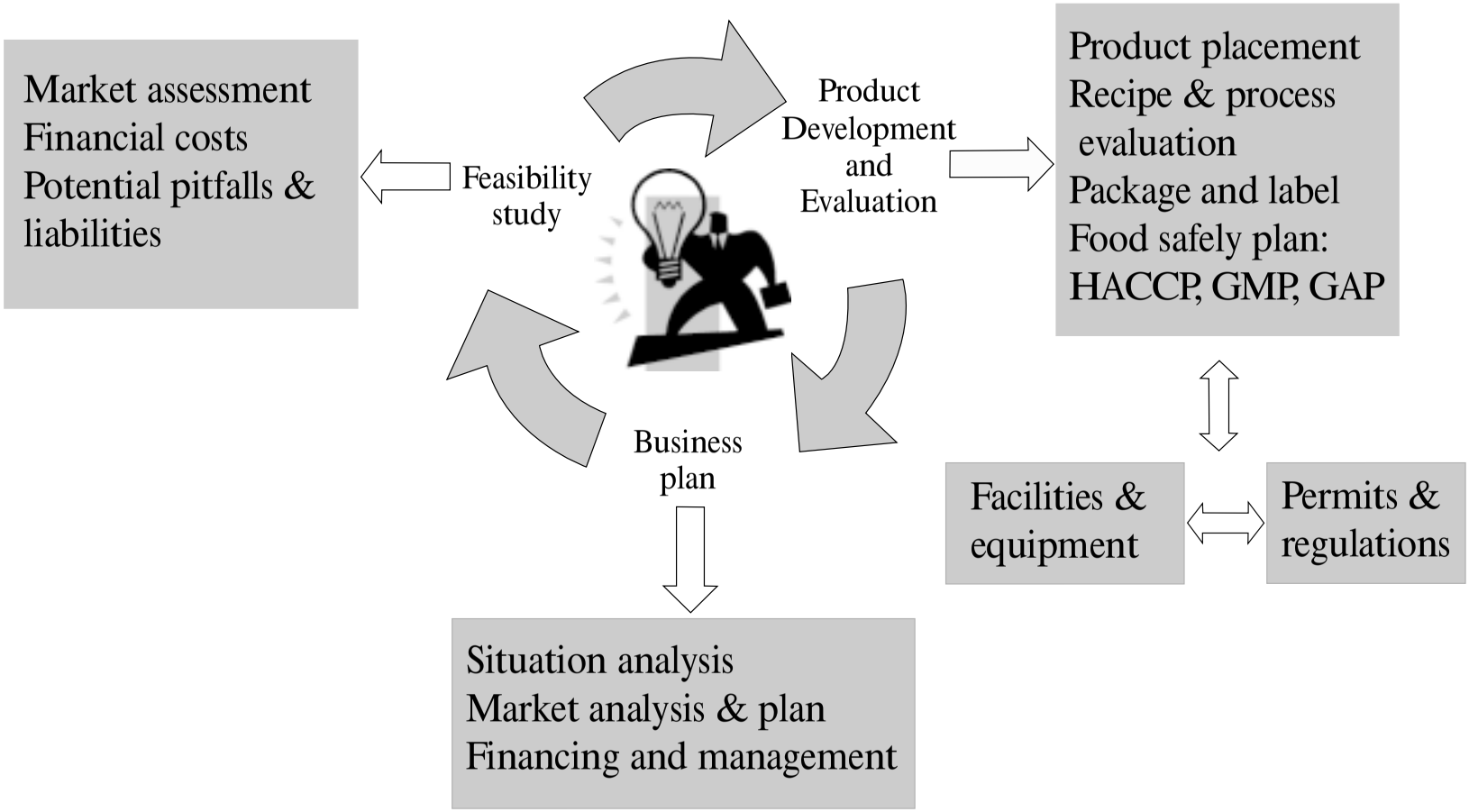
Commodity	Regulating agency*	Permit issued?	Comments
All food-processing facilities	US FDA	Registration	www.cfsan.fda.gov/~dms/fsbtac12.html Required for all domestic and foreign facilities.
Food importers	US FDA	Registration, :notification of import	Registration: www.cfsan.fda.gov/~dms/htsguid3.html Information: www.fda.gov/ora/import/ora_import_system.html
Acidified, low acid (salsa, green beans, meat canned under pressure)	US FDA USDA	No Yes	Attend Better Process Control School; file FDA form 2541 and 2541a to agency w/PA** review. Registration: www.cfsan.fda.gov/~comm/lacf-s1.html Information: www.cfsan.fda.gov/~comm/lacf-toc.html
Acidified, low acid (salsa, green beans) formulated foods	NMED	Yes	File application: www.nmenv.state.nm.us/fod/Food_Program/applications.html regulation: www.nmenv.state.nm.us/NMED_regs/food/7_6_2_NMAC.htm
Beef jerky	USDA NM LBMI NMED	Yes	Product distribution determines regulating agency.
Baked goods	NMED	Yes	File application. May need to refrigerate depending on water activity level.
Raw (fresh produce, honey, dried chile,unprocessed nuts)	NMED	No	~* Follow Good Manufacturing Practices (GMP): www.cfsan.fda.gov/~lrd/part110t.html www.cfsan.fda.gov/~dms/selfinsp.html Weights and measures: www.nmcpr.state.nm.us/nmac/parts/title21/21.016.0005.htm Labeling regulations: www.cfsan.fda.gov/~dms/flg-toc.html
Fresh/frozen meat	NM LBMI USDA	Yes	File application; inspection during processing.
Fresh/frozen seafood	US FDA NMED	Yes	File application: www.cfsan.fda.gov/~dms/qa2haccp.html
Restaurant/mobile unit	NMED	Yes	File application
Water/ice plant	NMED	Yes	File application
Dairy, milk, cheese	NMDA US FDA	Yes	Information: nmdaweb.nmsu.edu/Statutes/SCS/Csb/dairyact.htm HACCP: www.cfsan.fda.gov/~comm/haccpdai.html
Eggs	NMDA	Yes	nmdaweb.nmsu.edu/Statutes/SCS/Csb/egg.htm
Organic processed foods	NM COC NMED	Yes	3-year certification process file application

*Regulating agencies: U.S. FDA =U.S. Food and Drug Administration; USDA =U.S. Department of Agriculture; NMED=NM Department of Environment; NM LBMI=NM Livestock Board and Meat Inspection; NMDA = NM Department of Agriculture; NMCOC =NM Certified Organic Commission.
**PA = Process Authority; FDA form 2541 is "Food Canning Establishment Registration"; FDA form 2541a is "Process Filling for all Processing Methods except Low-Acid Aseptic."
~* All food-processing facilities must follow GMP, weights and measures and labeling regulation.

Table 3. NM Department of Environment- contact information for environmentalist

City	Address	Phone*	Fax*	E-mail
Alamogordo	411 Tenth St., Rm. 106 Alamogordo, NM 88310	437-7115	434-1813	david_kirby@nmenv.state.nm.us
Albuquerque	4131 Montgomery Blvd., NE Albuquerque, NM 87109	841-9450	884-9254	salomon_romero@nmenv.state.nm.us
Carlsbad	406 N. Guadalupe Carlsbad, NM 88220	885-9023	887-9283	felix_carrasco@nmenv.state.nm.us
Clovis	100 Manana Blvd., Unit 3 Clovis, NM 88101	762-3728	769-2527	william_anderson@nmenv.state.nm.us
Deming	805 Cody Rd. Deming, NM 88030	546-7559	546-6430	charles_lynch@nmenv.state.nm.us
Espanola	705 La Joya St. Espanola, NM 87532	753-7256	753-1840	barbara_kitay@nmenv.state.nm.us
Farmington	724 W. Animas Farmington, NM 87401	327-9851	326-3747	david_tomko@nmenv.state.nm.us
Gallup	306 S. Fifth Gallup, NM 87301	722-4160	863-2664	david_tomko@nmenv.state.nm.us
Grants	1212 1/2 Lobo Canyon Rd. Grants, NM 87020	287-8845	287-3415	david_tomko@nmenv.state.nm.us
Hobbs	726 E. Michigan, Ste. 165 Hobbs, NM 88240	393-4302	393-0906	don_byers@nmenv.state.nm.us
Las Cruces	1170 N. Solano, Ste. M Las Cruces, NM 88001	524-6300	526-3891	marylou_lacasse@nmenv.state.nm.us
Las Vegas	505 E. National Ave., Ste. 3&4 Las Vegas, NM 87701	425-6754	425-6604	chris_cudia@nmenv.state.nm.us
Los Lunas	1000 Main, Burroughs Bldg., 16B Los Lunas, NM 87031	841-5280	841-5284	salomon_romero@nmenv.state.nm.us
Raton	1243 S. Second St. Raton, NM 87440	445-3621	445-3376	florence_higgins@nmenv.state.nm.us
Rio Rancho	224 Unser Blvd., NE Ste. B Rio Rancho, NM 87124	892-4483	892-4816	salomon_romero@nmenv.state.nm.us
Roswell	1243 S. Second St. Roswell, NM 87440	445-3621	445-3376	john_wells@nmenv.state.nm.us
Ruidoso	1914 W. Second Street. Ruidoso, NM 88201	624-6046	624-2023	jack_king@nmenv.state.nm.us
Santa Fe	#4 Calle Medico Santa Fe, NM 87505	827-1840	827-1839	sandra_jacquez@nmenv.state.nm.us
Silver City	1302 E. 32nd St. Silver City, NM 88061	388-1934	388-3258	rock_vendrely@nmenv.state.nm.us
Socorro	336 6th St., Box 14 Socorro, NM 87801	835-1287	835-3119	salomon_romero@nmenv.state.nm.us
Taos	1215-B Gusdorf Taos, NM 87571	758-8808	758-9851	william_king@nmenv.state.nm.us
Tucumcari	113 W. Center Tucumcari, NM 88401	461-1671	461-1865	david_peacock@nmenv.state.nm.us

* All area codes 505


Market assessment
Financial costs
Potential pitfalls &
liabilities
Feasibility
study
Product
Development
and
Evaluation
Product placement
Recipe & process
evaluation
Package and label
Food safely plan:
HACCP, GMP, GAP
Business
plan
Facilities &
equipment
Permits &
regulations
Situation analysis
Market analysis & plan
Financing and management

Starting a Food Business Checklist:

☐ **Business planning and management**
- Feasibility study
- Business plan:
  - situation analysis
  - market analysis and plan
  - financing and management

☐ **Product evaluation**
- Product placement in market: refrigerated, frozen or shelf stable
- Recipe or formulation evaluation
- Process evaluation
- Packaging and labeling
- Food safety plan: HACCP, GMP, GAP

☐ **Liability protection**
- Product liability insurance
- Business liability insurance
- Employee disability
- Life insurance

☐ **Facilities and equipment: private, contract packager or kitchen incubator**
- Permitted facility
- Local, state, federal building codes followed
- Well maintained, working equipment

☐ **Permits and regulations**
- Local, state, federal applications
- Bioterrorism Act: registration, record keeping, prior notice
- Food processing permit: operational plan, label approval
- Tax identification number

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