



# *Home-Based Business:* **Making & Selling Food Products in Kentucky**

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## **Introduction**

Starting a food manufacturing business at home entails careful planning, dedication, and skillful management, in addition to an adequate knowledge of a number of complex local, state, and federal regulations. Home based business owners must follow regulations pertaining to

- 1. food safety and sanitation,**
- 2. permits and licenses,**
- 3. zoning,**
- 4. current good food manufacturing practices,** and
- 5. packaging and labeling.**

These regulations are provided in order to help business owners/operators meet standards that are set forth by local, state, and federal governments. Other important considerations include registration of business name, registration of trademark, tax identification numbers, financing, and insurance.

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This publication is intended to serve as a quick and useful guide to people interested in starting a food manufacturing business at home. Information about the rules and regulations governing food manufacturing is provided.

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## **Regulations, Licenses, and Permits**

The type of permit or license issued varies with the type of business enterprise, the business structure, and the location of the business. Many licenses and permits are regulated at the local level, but some are state or federally mandated. Below is a summary of the licenses and permits pertaining to a home-based food manufacturing/processing business. For a more comprehensive review contact local, district, or state health departments. Another useful reference is "Requirements for Starting a Home-Based Business in Kentucky," by Patty Rai Smith of the Cooperative Extension Service. To receive a copy of the fact sheet, call her at 606/257-3888.

### **Permit**

An annual permit to operate a food manufacturing business is required by the Kentucky Cabinet for Human Resources. There is a fee ranging from \$60 to \$210 depending on the size of your facility. An application form can be obtained from your local health department, area food inspector, or the state office. Each permit expires on December 31 and renewal applications with fee must be submitted before January 1 of each year.

Inquire at your county clerk's office about the need for a business license.

## **Facility**

The Kentucky Food, Drug and Cosmetic Act and State Retail Food Code prohibit the sale of foods that are manufactured or processed in the home. Therefore, food you plan to market must be prepared or manufactured in a kitchen or facility separate from your domestic quarters. This separate facility must also first be inspected and approved by the local health department.

A separate kitchen or facility can be built in the basement, a converted garage or building not being used for another purpose. Building codes and zoning laws must be adhered to.

### **Requirements include:**

- Adequate space to place equipment and store materials to maintain sanitary operations and produce safe food.
- Floors, walls, and ceilings constructed of easily cleanable materials and designed for easy cleaning and sanitation.
- Adequate screening or other protection against pests.
- A convenient hand-washing sink with running hot and cold water.
- Food-contact surfaces and equipment that are designed for easy cleaning and sanitation.
- A minimum of a two-compartment (preferably a three-compartment) sink with drain boards for cleaning and sanitizing utensils and equipment.
- A well-designed, maintained, and approved plumbing system for good quality safe water supply and

adequate floor drainage and sewage disposal.

- Adequate rubbish and garbage disposal system.
- Approved municipal water supply or a water supply approved by the Natural Resources and Environmental Protection Cabinet.

Construction plans must be submitted to and approved by the local health department. All plumbing construction shall be permitted and inspected as required by the State Plumbing Code.

If constructing a new facility or remodeling an existing one seems too expensive, you might be able to rent an industrial kitchen. Often, a church or other non-profit organization with an approved facility will welcome additional money and allow you to use its kitchen. A food manufacturing company may be willing to rent its facility to you during off-hours. An additional permit to operate would of course be required and issued to the food manufacturing operator.

## Zoning

Local zoning ordinances may restrict the kind of home business allowed, or prohibit a home-based food business entirely. Manufacturing may be permitted, but sales may be prohibited if it means customers will be coming to a residence. Check with your local, city, township, or county planning board or zoning office and get the facts in writing.

## Good Manufacturing Practices

Good Manufacturing Practices (GMP) were designed and instituted by the federal government to assure that foods are manufactured, processed, and handled in a safe and sanitary manner. The conditions set forth in the GMP must be met to operate and maintain your business.

### The GMP pertain to:

- Physical plant and grounds
- Equipment and utensils
- Sanitary operations

### ■ Processes and controls

### ■ Personnel

For detailed information on the GMP for your proposed food product, contact the state health department. The address is: Kentucky Cabinet for Human Resources, Department for Health Services, Division of Environmental Health and Community Safety, Food Branch, 275 East Main Street, Frankfort, KY 40621, telephone: 502/564-7181.

Proposed ingredients and manufacturing processes must be reviewed by the state health department and an inspection must be conducted before you begin your food manufacturing/processing operation.

## Sanitation

The following guidelines for disease control and personal cleanliness apply to all food manufacturing operations.

**Disease Control:** No person who is shown to have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination, or while a carrier of such disease, shall work in any capacity in which there is a reasonable possibility of food or food ingredient becoming contaminated by such a person, or of disease being transmitted by such person to other individuals.

**Cleanliness:** All persons working in direct contact with food, food-contact surfaces, and food packaging materials shall conform to the following hygienic practices while on duty:

- Wear clean outer garments, maintain a high degree of personal cleanliness, and conform to hygienic practices to the extent necessary to prevent contamination of food products.
- Wash hands thoroughly (and sanitize if necessary to prevent contamination by undesirable microorganisms) in an adequate hand washing facility before starting work, after each absence from the work

station, and at any other time when the hands may have become soiled or contaminated.

- Remove all unsecured jewelry and, during periods where food is manipulated by hand, remove from hands any jewelry that cannot be adequately sanitized.
- Maintain gloves, if they are used in food handling, in an intact, clean, and sanitary condition. The gloves shall be of an impermeable material.
- Wear hair nets, headbands, caps, beard covers, or other effective hair restraints.
- Store clothing or other personal belongings in areas other than where food is exposed or where equipment or utensils are washed.
- Confine the following to areas other than where food may be exposed or where equipment or utensils are washed: eating food, chewing gum, drinking beverages, or using tobacco.

Take any other necessary precautions to prevent contamination of foods with microorganisms or foreign substances including, but not limited to, perspiration, hair, cosmetics, tobacco, chemicals, and medicines applied to the skin.

## Good Manufacturing Practices for Specific Foods

### Jams and Jellies

The acidity and high sugar content along with a suitable heat treatment contribute to the keeping quality of jams and jellies.

Jams and jellies are standardized foods and must contain the requisite amount of fruit/fruit juice and sugar.

### Honey and Sorghum

Honey and sorghum are concentrated forms of sugar with low water content and thus do not readily support the growth of spoilage organisms. They require a short heat process to prevent surface mold unless the jars are filled hot (180° F).

## Ham

Meat is cured by the addition of salt alone or in combination with one or more ingredients such as sodium nitrite, sugar, curing accelerators, and spices. The preparation of curing mixtures must be carefully controlled; a number of proprietary mixtures that are uniform in composition are available. The maximum residual sodium nitrite in the finished product is limited to 200 ppm by the USDA Food Safety and Inspection Service (FSIS). It is important to use curing methods that achieve uniform distribution of the curing mixture in the meat. A clean facility and good sanitation are essential for obtaining a safe, quality product.

Instructions for curing meat may be obtained from the Department of Animal Sciences at the University of Kentucky (606/257-2686) or your local Cooperative Extension Service office.

The regulatory authority for processed meat and poultry products is USDA-FSIS. The Kentucky office is at 332 W. Broadway, Suite 613, Louisville, KY 40202 (telephone: 502/582-5291).

## Labeling of Products

### Universal Product Code

Products to be sold through a retail grocery chain store may require a Universal Product Code (UPC). This code is a series of bar codes that allows your product to be checked out at the grocery store's automated cash register. The UPC code can be obtained from the following office: Uniform Code Council, 8163 Old Yankee Road, Suite J, Dayton, OH 45458, phone: 513/435-3870.

### Package Labels

Foods in package form such as jams, jellies, honey, candies, etc., must be labeled in accordance with requirements of the Kentucky Food, Drug, and Cosmetic Act, including the name and address of the manufacturer, an accurate statement of the net quantity of contents, the common or usual

name of the product, and a list of ingredients in order of their pre-dominance.

In addition to listing the above information, the label must conform to the provisions of the new food labeling laws mandated by Congress in 1990 and administered by the Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA). The new food labels must give specific nutrition information about the product as "Nutrition Facts" per serving. Small manufacturers are exempt from the new regulations but must apply for an exemption. Contact the Kentucky Department for Health Services, Division of Environmental Health and Community Safety, Food Branch, 275 East Main Street, Frankfort, KY 40621. The telephone number is 502/564-7181. In fact, before paying for printing of labels for your product, ask the Food Branch to review and ensure the labels meet Kentucky's labeling requirements.

## Insurance

If you are going into a business where you can be sued, insurance is essential. Insuring your business is necessary to safeguard against losses from fire, illness, and injury. An insurance agent will be able to assist you to obtain the right coverage for your business, and also to determine if your home-based business is compatible with your homeowner's policy.

## Important Agencies

In Kentucky, the Department for Health Services oversees food manufacturing operations. The state office and contact person is John Draper or Guy Delius, Division of Environmental Health and Community Safety, Food Branch, 275 East Main Street, Frankfort, KY 40621 (telephone: 502/564-7181) (fax: 502/564-6533).

Food manufacturers/processors who want copies of applicable laws

and standards may contact one of the following Area Food Inspection Offices: Johnson County Health Department, 630 Second Street, PO Box 111, Paintsville, KY 41240 (606/789-2595); Cumberland Valley District Health Department, Regional Office Building, Branch Office, London, KY 40741 (606/878-0610, Ext. 432); Northern Kentucky District Health Department, 610 Medical Village, #420 - G3024 Drive, Edgewood, KY 41017 (606/341-4151); Division of Environmental Health and Community Safety, 8920 New Shepherdsville Road, Cox Creek, KY (502/564-7181); and Pennyriple District Health Department, 310 Hawthorne Street, PO Box 327, Princeton, KY 42445 (502/365-6571).

Your local health department may be able to provide the information you need and direct you to the proper offices so that you can comply with all of the laws and regulations.

## Sources of Information

1. Food and Drug Administration. (1) *Model Food Code*, 1993. (2) *Current Good Manufacturing Practice in Manufacturing, Packaging or Holding Human Food*.
2. Kentucky Cabinet for Human Resources, Department for Health Services. (1) *Kentucky Food, Drug and Cosmetic Act*; (2) *State Retail Food Code*; (3) *State Food Packaging and Labeling Regulation*; (4) *State Bakery Products Standard of ID and Labeling Regulations*.
3. Patty Rai Smith, Cooperative Extension Service, University of Kentucky, College of Agriculture. *Requirements for Starting a Home-Based Business in Kentucky*.
4. FDA Background. *The New Food Label*. April 1994.
5. USDA-FSIS Background. *Labeling of Meat and Poultry Products*. May 1994.

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