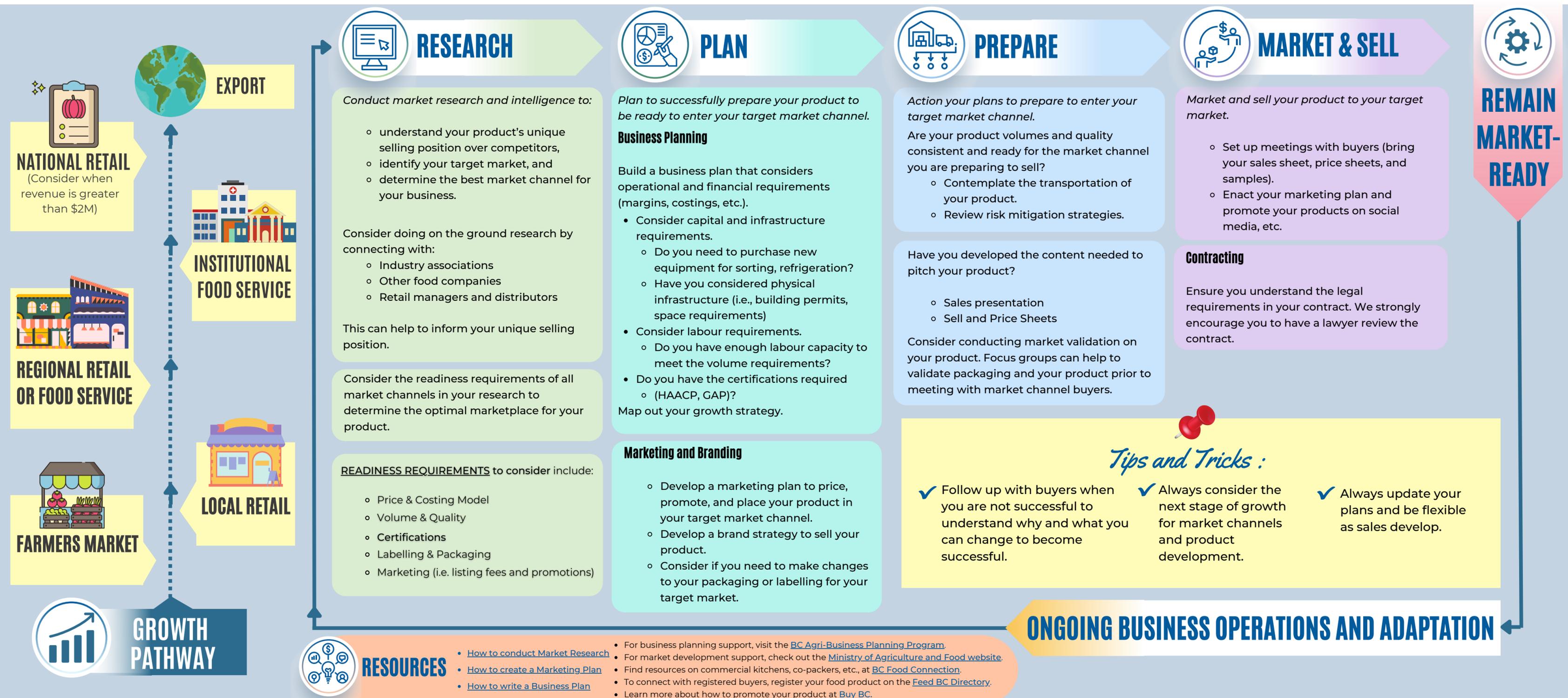


# GET YOUR BUSINESS MARKET-READY

This presents a **CRITICAL PATH** that food producers and processors should follow to enter a new market or to diversify market channels.



# GET YOUR BUSINESS MARKET-READY

The KEY READINESS REQUIREMENTS for domestic market channels.



## PATHS TO CHANNEL



## PRICE & COSTING MODEL



## VOLUME & QUALITY



## MARKETING



## LABELLING & PACKAGING



## CERTIFICATIONS



## RESOURCES



### INSTITUTIONAL FOOD SERVICE

(Healthcare, Post-Secondary, K-12, etc.)

- Primarily through broker
- Through a distributor is also common
- Direct to source (less common with institutional food service)
- May involve working with Group Purchasing Organizations

- Cost model will need to be at wholesale prices, and work from a cost instead of margin pricing model.

- Guaranteed agreement with minimum delivery requirement, with late and short fees applicable.
- Volumes tend to be bulk format.
- Quality requirements for products (e.g., low sugar, consistent texture)

- Expectation for a customer base to be established.
- Distributors may support in Marketing.

- In addition to the requirements under retail and food service, there are portion size requirements by institution (e.g., pre-portioned, ready to serve).

- Food Safety Certified
  - HACCP (Hazard Analysis Critical Control Point)
  - Good Agricultural Practices (Primary Ag Only)
  - CFIA Certified for Meat Products

- [Tips for getting ready to sell to Commercial & Institutional Buyers.](#)



### COMMERCIAL FOOD SERVICE

(Restaurants, Hotels, Transportation)

- May involve working with Group Purchasing Organizations

- Cost model should include both:
  - price to food service by delivered (product delivered by you)
  - pickup (price when they pick up the product).
- Cost model will differ if selling direct to food service or using a distributor. Distributor average margin is 25-35%.

- Guaranteed agreement with minimum delivery requirement, with late and short fees applicable.
- Volume tends to be in bulk format.

- Marketing Fee % Charged (Varies by Product)

- All channels will require labelling and packaging that meets traceability standards.
  - Have a traceability plan
  - Have a Universal Product Code using GS1 (Global Systems of Standards), and GTIN (Global Trade Item Number).
  - Labelling must meet Canadian Food Inspection Agency Standards. Generally this means nutritional chart, allergens, ingredients, and a best before date. Visit CFIA's food labelling tool to understand more on product specific requirements.

- Hold Harmless Agreement
- Insurance with a minimum of \$2M coverage for occurrence, products and completed operations, general aggregate, and umbrella liability



### RETAIL

(Local, Regional, National)

- Direct to retailer
- Through broker or distributor

- Cost model needs to account for retailer margins, transportation, and broker or distributor costs. Brokers generally charge a 3-10% commission.
- Retailer margins differ by retailer and the product being sold. Ranges can be anywhere from 25-40%
- Consider volume discounts of the retailer in price model.

- Guaranteed agreement with minimum delivery requirement, with late and short fees on deliveries applicable.
- Large retailers will expect volume to supply all stores.

- Listing Fees (Per product SKU, N/A for non-shelf stable products)
- Marketing Program with a fee negotiated into agreement
  - Includes co-op advertising, discounts, shelf positioning, displays and demos

- Be prepared for compliance audits, large retailers conduct social audits as well

- [How to price your product for retail.](#)
- [How to sell your product to a retailer.](#)
- [How to sell your product to a distributor.](#)