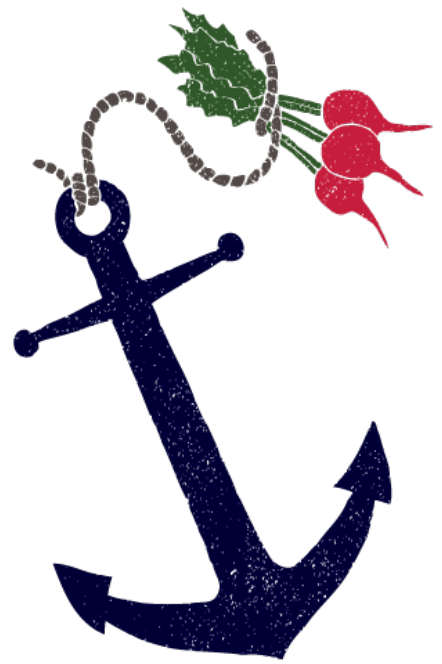


SNO ISLE FOOD CO-OP



New Vendor Packet

A guide for local farmers and food processors



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INTRODUCTION

Sno-Isle Food Co-op supports local farmers and food producers whenever possible. The Co-op uses product selection guidelines to prioritize our purchasing. Over time we expect that the majority, if not all, of the items we carry will comply with these guidelines. We hope you will be inspired by our philosophy and help us live up to this vision.

We see the economic, social, and environmental value in local products, whether they be value-added or straight from the farm. In order to create a streamlined process for introducing new products to our community, we have created this guide to help fledgling businesses gather what they need to start wholesaling. This is not a complete guide to starting a small business, but it will help you prepare some of the information we need before The Co-op can consider carrying your product(s).

We require most local producers to support The Co-op with 3 demos within the first 90 days of the product being merchandised in-store. See New Vendor Demo Agreement in your vendor application for requirements specific to your product's category.

Disclaimers

This guide is not meant to be an all-inclusive manual on how to start a food service business in Snohomish and Island Counties. This guide is written with the assumption that you have a product idea, a viable business plan, and the financial resources to start a business. Additionally, each business has its own specific set of permits, regulations, and circumstances. You are responsible to identify and uphold those regulations and provide the Sno-Isle Food Co-op with the necessary information we need for compliance to resell your product.

Successful completion of our New Vendor Packet and application does not guarantee placement of any or all of your products.

GETTING STARTED

There are a few steps you need to follow before inquiring about submitting your product or products to be picked up by The Co-op. We must comply with all legal regulations and other necessary precautions and best practices. To sell food to The Co-op you must meet these criteria. All food vendors must have a wholesaler's license and \$1 million in liability insurance. Additionally, all prepared food must come out of a certified kitchen and follow all necessary labeling procedures.

Set up Your Entity as a Business

Determine your business model—sole proprietor, corporation, LLC, cooperative, etc. Here are some helpful links to get you started:

Business Registration in the City of Everett - <https://everettwa.gov/175/Business-License>

Doing Business in Snohomish County - <https://snohomishcountywa.gov/1496/Doing-Business>

Island County Info Website - <https://www.islandcountywa.gov/Pages/Home.aspx>

Start a Business in Washington State - <http://bls.dor.wa.gov/startbusiness.aspx>

State of Washington Business Licensing Service - <http://www.bls.dor.wa.gov/>

Access Washington/Starting a Business - <http://access.wa.gov/topics/business/startbusiness>

Business License FAQs - <http://bls.dor.wa.gov/faqlicense.aspx>

Cooperative Development Services (CDS) - <http://www.cdsus.coop/>

CDS Consulting Co-op - <http://www.cdsconsulting.coop/about>

Establish or Locate a Certified Kitchen

Food that will be sold in retail settings must be prepared in a commercial kitchen that the state health department has officially approved for the manufacturing and preparation of food. If you don't have a commercial kitchen it may be possible to rent space from someone who has already established a commercial kitchen.

Washington State Retail Food Code and Food Safety Rules and Regulations - <http://www.doh.wa.gov/CommunityandEnvironment/Food/FoodWorkerandIndustry/FoodSafetyRules.aspx>

Local Commercial Kitchen Info - <http://www.culinaryincubator.com/maps.php?state=WA>

Washington State Department of Agriculture Food Safety Program - <http://agr.wa.gov/FoodAnimal/FSP/>

WSDA Cottage Food Operation - <http://agr.wa.gov/FoodAnsellingimal/CottageFoodOperation/>

Obtain a Wholesaler Permit

Reseller permits allow retailers and wholesalers to purchase items for resale without paying sales tax and allow manufacturers to purchase ingredients or other components that enter into and become a physical part of a new article or substance produced for sale without paying sales tax.

Washington State Department of Revenue FAQ and application links and information:

<http://dor.wa.gov/Content/FindTaxesAndRates/RetailSalesTax/ResellerPermit/default.aspx>

Obtain Liability Insurance

Liability insurance pays damages where a person or organization is found responsible for injury or harm caused. The Co-op requires all vendors to have liability insurance.

Resources:

The U.S. Small Business Administration - <http://www.sba.gov/community/blogs/community-blogs/business-law-advisor/business-liability-insurance-%E2%80%93-tips-protecting->

Types of Business Insurance - <http://www.sba.gov/content/types-business-insurance>

Labeling Requirements

All prepared food items must have all ingredients listed, including ingredients of ingredients. For instance, if soy sauce is an ingredient in your food item, the ingredients for the soy sauce must also be listed. The Food and Drug Administration (FDA) and Washington State Department of Agriculture (WSDA) have guidelines of how this must be done.

Country of Origin Labeling (COOL)

Country of Origin Labeling (COOL) is a labeling law that requires retailers, such as full-line grocery stores, supermarkets and club warehouse stores, to notify their customers with information regarding the source of certain foods. Food products covered by the law include muscle cut and ground meats: lamb, goat, and chicken; wild and farm-raised fish and shellfish; fresh and frozen fruits and vegetables; peanuts, pecans, and macadamia nuts; and ginseng.

<https://www.ams.usda.gov/rules-regulations/cool>

Food and Drug Administration:

<https://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm2006828.htm>

Washington State Department of Agriculture

<https://agr.wa.gov/foodanimal/foodprocessors/packaginglabeling.aspx>

Non-GMO Project (Product verification program)

The Non-GMO Project Product Verification Program is North America's only third-party verification for non-GMO food and products. Third-party verification is the highest quality system when it comes to product labeling and certifications because it ensures products have been comprehensively evaluated by an independent party for compliance with a standard developed by industry experts and stakeholders.

Get started - <https://www.nongmoproject.org/product-verification/get-started/>

Organic Certification

Note that any product with "organic" on the main/front label needs to have been certified by the USDA. You can list certified organic ingredients in the ingredient listing, but not on the front of the package if you aren't a certified handler.

<http://www.ccof.org/certification/standards>

http://agr.wa.gov/FoodAnimal/Organic/docs/ofp_organic_rules_and_regs_final.pdf

Gluten-Free

In addition, as of August 2014, the FDA requires all food manufacturers that produce items that would carry a "gluten-free" label to be able to prove that their product(s) is gluten-free. Gluten-free foods have a limit of containing gluten in less than 20 parts per million (ppm). This applies to any food product that is labeled as "gluten-free," "no gluten," "free of gluten," or "without gluten" with the exception of foods that are regulated by the USDA or the Alcohol and Tobacco Tax and Trade Bureau (TTB). Therefore, if you want to label your food product as gluten free or any variation thereof, you have to test it regularly or become a certified gluten-free facility, even if you don't use any gluten products in anything you produce.

<http://www.fda.gov/food/guidanceregulation/guidancedocumentsregulatoryinformation/labelingnutrition/default.htm>

Info on gluten-free regulations -

<http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/Allergens/ucm362510.htm>

Guidance for small entity compliance -

<http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/ucm402549.htm>

Gluten testing kits - <http://glutentox.com/>

Other Resources (alphabetically)

Egg Producers

<http://agr.wa.gov/FoodAnimal/Eggs/>

Dairy Producers

<http://agr.wa.gov/FoodAnimal/Dairy/>

Fair Trade USA

<http://fairtradeusa.org/certification>

Food Processors (anyone who cooks, bakes, freezes, slices, dehydrates, smokes, or repackages food needs a food processor license)

<http://agr.wa.gov/FoodAnimal/FoodProcessors/>

<http://agr.wa.gov/FP/Pubs/docs/FoodProcessorPacket0312.pdf>

GAP/GHP Services

Good Agricultural (and Good Handling) Practices (GAP) is an auditing service through the WSDA to verify that best practices are being followed. The Co-op highly encourages all farms wishing to sell product to The Co-op to take part in this program.

<http://agr.wa.gov/inspection/fvinspection/gapghp.aspx>

Public Grain Warehouses and Grain Dealers

<http://agr.wa.gov/FP/Pubs/Docs/gwalicensebook.pdf>

Washington State Small Business Development Center
<http://www.wsbdc.org/>

Slaughtering Information

<http://apps.leg.wa.gov/rcw/default.aspx?cite=16.49&full=true>

Small Business Guide to the FDA

<http://www.fda.gov/ForIndustry/SmallBusinessAssistance/SmallBusinessGuidetoFDA/default.htm>

Special Poultry Permit to Slaughter, Prepare, and Sell Whole Raw Poultry

<http://agr.wa.gov/FoodAnimal/TempChickenSlaughter/>

Wild Harvested Mushrooms general guidelines (WSDA 2014)

You must be a licensed food wholesaler to sell wild harvested mushrooms with no further requirements.

<https://agr.wa.gov/Marketing/SmallFarm/greenbook/docs/32.pdf>

If you do not have a food wholesaler license, the mushrooms must be accompanied by specifications, similar to selling molluscan shellfish. If you are not a licensed wholesaler, only 16 species are allowed under code and they must be harvested in WA, OR, ID, CA, MT, or BC; they must be in fresh condition; the mushrooms must be cooked to 135°F; and the seller must provide documentation (and retain it for 90 days) that includes:

- ↓ the Latin name of each species
- ↓ contact info and a signature of the mushroom identifier
- ↓ the specific location of harvest
- ↓ the harvest date and delivery date
- ↓ the amount delivered

HELPFUL PRODUCT-RELATED DEFINITIONS

B-Corp

Individually, B Corps meet the highest standards of verified social and environmental performance, public transparency, and legal accountability, and aspire to use the power of markets to solve social and environmental problems.

<http://www.bcorporation.net/become-a-b-corp>

Certified Non-GMO

Genetically modified organisms are commonly referred to as GMOs. Unlike natural reproduction and plant breeding/hybridization, which can only occur between closely related forms of life, genetic modification uses laboratory techniques to insert artificial gene units to reprogram the DNA blueprint of a plant or organism with completely new properties. The artificial gene units are created in the laboratory by joining fragments of DNA, usually derived from multiple organisms including viruses, bacteria, plants, and animals.

<https://www.nongmoproject.org/product-verification/get-started/>

Fair Trade Certified

Fair Trade Certified means that goods were sourced in a way that ensured farmers were justly compensated. Fair Trade standards are based on a mission of empowerment, economic development, social development, and environmental stewardship to farmers and farm workers around the world. Currently, Fair Trade Certification most directly applies to internationally traded commodities such as coffee, tea, chocolate, and sugar. <http://fairtradeusa.org/certification>

The Domestic Fair Trade Association draws on both the international fair trade movement and the organic movement. They bring together advocates to labor rights, farmland preservation, family-scale farming, and indigenous peoples' rights to advance equitable, diverse, and sustainable agriculture in North America and around the world. www.thedfta.org

Gluten-Free

In addition to limiting the unavoidable presence of gluten to less than 20 ppm, FDA allows manufacturers to label a food "gluten-free" if the food does not contain any of the following:

- an ingredient that is any type of wheat, rye, barley, or crossbreeds of these grains,
- an ingredient derived from these grains and that has not been processed to remove gluten, or
- an ingredient derived from these grains that has been processed to remove gluten, if it results in the food containing 20 or more parts per million (ppm) gluten

Foods that are inherently gluten-free, for example bottled spring water, fruits and vegetables, and eggs can also be labeled "gluten-free" provided any gluten that came in contact with the food is less than 20 ppm.

<https://www.fda.gov/ForConsumers/ConsumerUpdates/ucm363069.htm>

Hydrogenated Oils - AKA "Trans Fats"

From WiseGEEK.com:

Oils have been hydrogenated for many decades to prolong their shelf life and make the oils more stable. Hydrogenated oil is oil in which the essential fatty acids have been converted to a different form chemically, which has several effects. Hydrogenated oil is far more shelf stable, and will not go rancid as quickly as untreated oil. It also has a higher melting point, and is often used in frying and pastries for this reason. When hydrogenated, the chemical structure of the oil is changed, which scientists in the 1990s began to realize could result in negative health effects.

Hydrogenated oil is made by forcing hydrogen gas into oil at high pressure. Both animal and vegetable fats can be and are hydrogenated. In general, the more solid the oil is, the more hydrogenated it is. Two common examples of hydrogenated oil are Crisco and margarine. In the 1990s, it was realized that these products might have deleterious health effects, a tragic irony since they were originally produced and promoted as being healthier than conventional oils.

Are hydrogenated oils bad? "Numerous studies have found that trans fats raise our risk of heart disease," said Mary Beth Sodus, a registered dietitian at the University of Maryland Medical Center. "They can also contribute to an increase in total cholesterol levels and drop in the healthy HDL cholesterol. These man-made fats are much worse for you than any other natural fat, even the saturated fats found in butter and beef."

Organic Certification

Organic products are grown without the use of pesticides, synthetic fertilizers, sewage sludge, genetically modified organisms, or ionizing radiation. Animals that produce meat, poultry, eggs, and dairy products do not take antibiotics or growth hormones. The USDA requires organic farmers and food handlers to meet a uniform organic standard and makes certification mandatory for operations with organic sales over \$5,000. "Certified Organic" means that agricultural products have been grown and processed according to USDA's national organic standards and certified by USDA-accredited state and private certification organizations.

Sustainable Agriculture

There are many definitions of sustainable, often referring back to the UN Brundtland Commission report that describes sustainability as "meeting the needs of today without compromising the ability of future generations to meet their needs." Sustainability as applied to agriculture can be defined as "economically viable, environmentally sound, and socially equitable."

<http://csanr.wsu.edu/sustainability-index/>

Transitional Agriculture

Transitional agriculture refers to crop production moving from conventional to organic practices. The Organic Trade Association (OTA) in accordance with the USDA has mandated a 36 month certification period, during which producers begin implementing processes required for USDA Organic Certification. A product or crop is considered transitional during this 36 months.

<https://www.ota.com/advocacy/organic-standards/organic-trade-association-usda-certified-transitional-program>

SNO-ISLE FOOD CO-OP PRODUCT SELECTION GUIDELINES

General Guidelines

We're in business to:

1. Offer **high quality products** that:
 - ⚓ Meet or exceed our product standards.
 - ⚓ Meet customer needs and will sell.
2. Offer **prices that are affordable** to people living in a broad range of financial circumstances which means we:
 - ⚓ Build category sets that have groups of similar products at a range of price points.
 - ⚓ Choose between similar products that each have some, but not all, of the quality attributes we consider important (because similar products that sell for different prices usually don't have identical "quality" attributes).
3. Offer the **best-quality products possible at every price point** which means we need to:
 - ⚓ Know what the attributes of a quality product are.
 - ⚓ Understand the relative importance of each attribute.

The basic list of quality attributes below is arranged in the order that our main buyers consider them.

1. **CLEAN**—no harmful ingredients or additives; organic and/or non-GMO ingredients or feed.
2. **SUSTAINABLY PRODUCED**—organic, transitional, or other sustainable practices.
3. **LOCALLY PRODUCED**—within 50 miles, Washington state, and the Pacific Northwest
4. **SOCIALLY RESPONSIBLE PRODUCTION**—cooperative, fair trade, or B-Corp Certified
5. **APPROPRIATELY PACKAGED**—minimal packaging, recyclable, compostable.
6. **HEALTHFUL**—reasonable sugar, fat, and salt contents, minimal empty calories.

Local Strategy

Our goal is to bring in any local product that meets the same basic criteria we'd apply to a similar nonlocal product.

Value proposition—when you buy a local product you are:

- ⚓ Creating jobs in our community.
- ⚓ Keeping money in the community.
- ⚓ Helping support a more independent local economy.

Category Management and Local Products

Strategies to support local products carried in our store:

1. **Promotion**—Set up in-store demos, use introductory pricing, and develop shelf talkers, signs, etc.
2. **Price**—Manage pricing to maintain no more than a 25% price differential between the local product and other comparable products whenever possible.
3. **Placement**—Good shelf placement within the category (even if sales are slow).

While we try to carry as many local products as possible, we still have to maintain a viable business and therefore cannot accommodate every local product on the market. We have several categories that we are essentially “maxed” out on bringing in a new product, even if it is local. So be sure to come in and check out our shelves to see if your product would be a good fit within the product category or supplies unique attributes that aren’t currently being met. For a list of Sno-Isle Food Co-op product categories, please visit: <https://www.snoislefoods.coop/departments/>

GMO Ingredients

The Sno-Isle Food Co-op strongly supports **sustainable agriculture, organic farming, and efforts to prevent the proliferation of GMOs in foods.**

To this end we will:

- 🚫 Decline new products that contain, or have a high risk of containing, GMOs.
- 🚫 Continually work with vendors, producers, and advocacy groups to encourage responsible labeling and to provide GMO-free products as much as possible.
- 🚫 Support our shoppers’ rights to make informed purchase decisions through educational opportunities and materials that address the issues facing our food system.

Ingredients at high risk of containing GMOs, which in commercial production must be tested every time prior to use in Non-GMO Project Verified products:

- 🚫 Alfalfa
- 🚫 Canola
- 🚫 Corn
- 🚫 Cotton
- 🚫 Papaya (most Hawaiian crop)
- 🚫 Soy
- 🚫 Sugar Beets
- 🚫 Zucchini and Yellow Summer Squash

Common ingredients derived from GMO high-risk crops:

*denotes an ingredient deemed unacceptable for products carried at The Co-op

Amino acids, aspartame*, ascorbic acid, sodium ascorbate, Vitamin C, citric acid, sodium citrate, ethanol, flavorings (“natural” and “artificial”*), high fructose corn syrup*, hydrolyzed vegetable protein, lactic acid, maltodextrins, molasses, MSG*, sucrose, textured vegetable protein (TVP), xanthan gum, vitamins, yeast products.

Ingredients Not Acceptable for Products Carried at The Co-op

Products containing any of the following ingredients will not be considered by our buyers to be carried at any Sno-Isle Food Co-op location*.

- acesulfame-K (acesulfame potassium)
- acetylated esters of mono- and diglycerides
- ammonium chloride
- artificial colors
- artificial flavors
- aspartame
- azodicarbonamide
- benzoates in food
- benzoyl peroxide
- BHA (butylated hydroxyanisole)
- BHT (butylated hydroxytoluene)
- bleached flour
- bromated flour
- brominated vegetable oil (BVO)
- calcium bromate
- calcium disodium EDTA
- calcium peroxide
- calcium propionate
- calcium saccharin
- calcium sorbate
- calcium stearoyl-2-lactylate
- caprocaprylobehenin
- carmine
- certified colors
- cyclamates
- cysteine (l-cysteine), as an additive for bread products
- DATEM (Diacetyl tartaric and fatty acid esters of mono and diglycerides)
- dimethylpolysiloxane
- dioctyl sodium sulfosuccinate (DSS)
- disodium calcium EDTA
- disodium dihydrogen EDTA
- disodium guanylate
- disodium inosinate
- EDTA
- ethyl vanillin
- ethylene oxide
- ethoxyquin
- FD & C colors
- foie gras
- GMP (disodium guanylate)
- GMO corn, sugar, alfalfa, canola, papaya, soy, zucchini and yellow summer squash
- hexa-, hepta- and octa-esters of sucrose
- high fructose corn syrup
- hydrogenated fats
- IMP (disodium inosinate)
- irradiated foods
- lactylated esters of mono- and diglycerides
- lead soldered cans
- methyl silicon
- methylparaben
- microparticulated whey protein derived fat substitute
- monosodium glutamate (MSG)
- natamycin
- nitrates/nitrites
- partially hydrogenated oil
- polydextrose
- potassium benzoate
- potassium bisulfite
- potassium bromate
- potassium metabisulfite
- potassium sorbate
- propionates
- propyl gallate
- propylparaben
- saccharin
- sodium aluminum phosphate
- sodium aluminum sulfate
- sodium benzoate
- sodium bisulfite
- sodium diacetate
- sodium glutamate
- sodium nitrate/nitrite
- sodium propionate
- sodium stearoyl-2-lactylate
- sodium sulfite
- solvent extracted oils, as standalone single-ingredient oils (except grapeseed oil).
- sorbic acid
- sucralose
- sucroglycerides
- sucrose polyester
- sulfites (sulfur dioxide)
- TBHQ (tertiary butylhydroquinone)
- tetrasodium EDTA
- vanillin

*For information regarding ingredients accepted in non-edible departments such as Wellness or Mercantile, visit: https://www.ncq.coop/sites/default/files/resource-files/Natural_Products_Association_Natural_Standard.pdf

Financial Agreement

Sno-Isle Food Co-op pays within listed terms. If your terms are not listed on the invoice, we assume the standard 30 days. Net 15 is the lowest term permissible and The Co-op will process payment with 15 day terms from date of delivery.

Invoices

We require invoices in two formats: an electronic copy upon confirmation of order as well as a printed copy upon delivery. Electronic invoices should always be sent to books@snoislefoods.coop and your contact for orders at Sno-Isle Food Co-op.

The two copies should be identical and contain the following information:

- 📌 Date of delivery
- 📌 Invoice Number
- 📌 Vendor name, phone number, and mailing address
- 📌 Who the check should be made out to – if different than the Vendor's name.
- 📌 Name of each product delivered.
- 📌 If product is certified organic, it must be indicated as such by item or stated at the top of each invoice that all products are organic.
- 📌 The quantity of each product (cases and/or pounds).
- 📌 Unit cost of each product.
- 📌 Extended dollar total for each product.
- 📌 Total dollar sum of all products received on invoice.

Adjustments made to invoices at the time of delivery should be legible and initialed by both the delivery person and the receiving co-op staff member. An updated electronic version should then be sent to books@snoislefoods.coop and your contact for orders at Sno-Isle Food Co-op.

To be paid, every invoice must contain the signature of The Co-op staff member receiving the order. No COD's (unless legally required).