

*Community*   
**FOOD CO OP**  
LOCALLY GROWN • COMMUNITY OWNED

**New Vendor Packet**  
a guide for local farmers and  
food processors



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## INTRODUCTION

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The Community 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).

### Disclaimers

This guide is not meant to be an all-inclusive manual on how to start a food service business in Bellingham/Whatcom County. 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 Community Food Co-op with the necessary information we need for compliance to retail your product.

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

## GETTING STARTED

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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 Bellingham - <http://www.cob.org/services/business/business-registration.aspx>

Doing Business in Bellingham - <http://www.cob.org/services/business/doing-business.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://bowlittlemarket.files.wordpress.com/2011/05/commercial-kitchens.pdf>

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

WSDA Cottage Food Operation - [http://agr.wa.gov/FoodAnselling\\_imal/CottageFoodOperation/](http://agr.wa.gov/FoodAnselling_imal/CottageFoodOperation/)

## Obtain a Wholesaler Permit

Reseller permits allow retailers and wholesalers to purchase items for resale without paying sales tax and allows 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) has guidelines of how this must be done.

In addition, as of August 2014, the FDA will require 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). Basically, 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 (this is what the Co-op uses in our Bakery/Deli) - <http://glutentox.com/>

## Other Resources

### Small Business Guide to the FDA

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

### Egg Producers

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

### Dairy Producers

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

### 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>

### Slaughtering Information

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

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

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

### 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/>

### Non-GMO Project (Product verification program)

Headquarters

1155 N State St, Suite 502

Bellingham, WA 98225

Office: 877.358.9240

Fax: 866.272.8710

[info@nongmoproject.org](mailto:info@nongmoproject.org) <http://www.nongmoproject.org/>

### Fair Trade USA

<http://fairtradeusa.org/certification>

### 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](http://agr.wa.gov/FoodAnimal/Organic/docs/ofp_organic_rules_and_regs_final.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>

### **Wild Harvested Mushrooms general guidelines (effective May 1, 2013)**

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

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**

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### **Certified GMO-free**

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.

### **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.

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 people's rights to advance equitable, diverse, and sustainable agriculture in North America and around the world. [www.thedfta.org](http://www.thedfta.org)

### **Hydrogenated Oils**

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.”

### **MSG (monosodium glutamate)**

MSG is a flavor-enhancing amino acid used in processed, packaged, and fast foods. MSG can be found in autolyzed yeast, calcium caseinate, hydrolyzed protein, sodium caseinate.

### **Recombinant Bovine Somatotropin (rBST) and Other Artificial Growth Hormones**

rBST is used to increase milk production in cows. Developed by Monsanto and marketed as “Posilac,” it is produced through a genetically engineered *E. coli*. The bacteria are then broken up and separated from the rBST, which is purified to produce the injectable hormone. Posilac was banned from use in Canada, Australia, New Zealand, Japan, Israel, and the European Union.

### **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.

# COMMUNITY FOOD CO-OP PRODUCT SELECTION GUIDELINES

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## 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 our five-county area or in Washington state.
4. SOCIALLY RESPONSIBLE PRODUCTION—cooperative, fair trade, or production-scale business practices.
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 for local products carried in our stores:

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.

## GMO Ingredients

The Community Food Cooperative 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.
-  Ensure access to food by supporting a food source that is free from corporate control of seed stock.

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 managers to be carried at any Community 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 (Diacyl 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

## Meat, Poultry Products, Dairy, and Seafood

The Community Food Co-op strives to offer only natural or organic meats/dairy products sourced as directly as possible from ranchers and processors that are committed to humane standards. Ideally, we look for meat/eggs/dairy products that are from pastured or from free-range animals.

Local meat and dairy products must meet the following criteria to be sold by the Community Food Co-op:

-  All animals must be raised on a vegetarian, non-GMO diet\*. Feed must not contain any animal by-products.
-  No use of antibiotics or growth-promoting hormones.
-  No ingredients from our *Ingredients Not Acceptable for Products* list, included in this packet.
-  No meat or dairy from cloned animals or their offspring.

## Monterey Bay Aquarium Seafood Watch



The Community Food Co-op is a proud member of the [Monterey Bay Aquarium's Seafood Watch Program](#), whose mission is "to empower consumers and businesses to make choices for a healthy ocean". They recommend which seafood is considered a Best Choice, a Good Alternative, and ones to Avoid. The Co-op's ideal is to carry only seafood that is on the Best Choice or Good Alternative lists, and we will only accept local products from these two categories.

\*In October 2013, the Community Food Co-op pledged to not bring in any products that contain or are at risk of containing genetically modified organisms (GMOs). Products that are dropped from the shelves that were carried before this decision was made will be replaced with non-GMO alternatives so that eventually all products that contain GMOs will be phased out.

# PRODUCTION AGREEMENT FOR FARMERS

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## Multiple Locations

The Co-op's full-service stores strive to offer the same lines of products. This includes local farms. All growers will be required to sell to both stores. Exceptions are:

- They are growing a shared crop with another local grower and each farm is growing for one of the stores.
- They are offering a limited quantity of an item that will need to get mixed in with product from other sources and therefore will not get labeled as local.

## Ordering, Delivery, and Receiving

- Our ordering times are between the hours of 6 am and 12 pm, seven days a week.
- A schedule for ordering and delivery times must be set up prior to the first delivery of the season.
- Deliveries may be made any day of the week between 6 am–4 pm and 6 pm–7 pm at either store.
- Only pre-ordered product will be accepted for delivery.
- Every delivery must be accompanied by a detailed invoice (see next section).
- For pricing, refer to our local wholesale price list (available upon request).
- For items not on the list, pricing must be negotiated prior to deliveries.

## Invoices

Every delivery requires an accompanying invoice, filled out in advance of the delivery with the following information:

- Date of delivery.
- Growers name, phone number, and mailing address.

Please also signify whether an invoice is for the Downtown or Cordata store.

Also required on the invoice:

- 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 pounds).
- Unit cost of each product.
- Extended dollar total for each product.
- Total dollar sum of all products received on invoice.

**To be paid, every invoice must contain the signature of the Co-op produce staff member receiving the order. No COD's.**

## Receiving

- 🍃 Every delivery must be inspected and signed in by a Co-op produce worker.
- 🍃 Produce must come in sturdy, clean, stackable boxes with tops, or in food grade bags.
  - Banana boxes are unacceptable unless the bottom is lined with cardboard.
- 🍃 Recycled boxes in good condition may be used for certified organic product, but only if the previous contents were certified organic.
  - Organic produce delivered in conventional boxes will not be accepted upon delivery.
- 🍃 Each box of product must have a label on the front of the box legibly stating:
  - Product name, quantity, grower's farm name, whether it is organic, and date of delivery.
- 🍃 Wet produce items must be packed in waxed boxes, food grade plastic bags, reusable produce containers (RPCs), or another appropriate container.

## Product Standards

- 🍃 Produce must be appropriately sized, weighed, and cleaned by grower prior to delivery.
- 🍃 Produce handling prior to arrival at the Co-op must effectively guarantee freshness and ability to hold up well for the necessary length of time for resale. For example, products subject to dehydration (broccoli, lettuce, etc.) must be kept damp and/or chilled prior to delivery.
- 🍃 Produce deemed unacceptable by the receiving produce worker will not be accepted for delivery and removed from the invoice.
- 🍃 We do not purchase genetically modified crops (GMOs).

**Failure to meet packing standards listed in the receiving section above will result in denial of delivery.**

## Retail Labeling for Packaged Organic Produce

The labels for packaged organic produce need to identify the contents of the package as being organic, list the certifying agency, and the name and weight of the item.

### Example

<p style="text-align: center;"><b>Organic Red Potatoes</b> 5 pounds</p> <p style="text-align: center;"><b>Happy Digs Farm</b> Bellingham, WA 98225 Certified Organic by Washington State Department of Agriculture</p>
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## Pricing

It is the desire of the Co-op to support local agriculture in as many ways as possible. This includes paying local providers rates equivalent to, or exceeding, the current rates charged by produce distributors.

We have a local wholesale price list which is updated annually. This list contains most of the items relevant to our growing region.

-  The Co-op reserves the right to reassess wholesale prices should the established prices place undue burden on the Co-op as a result of low market prices.
-  The Co-op also accepts responsibility for pricing, as well as allowing growers the right to reassess wholesale prices should the established prices become unsatisfactorily below market prices.
-  The Co-op reserves all rights to establish and/or change the retail prices charged on goods delivered by the grower.

## Financial Agreement

The Community 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.