



# The Pig and the Plow

*a case study*



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# Introduction

Officially defined as “licensed commercial spaces that provide a pathway for food entrepreneurs to launch and grow their businesses<sup>1</sup>,” shared kitchens are a relatively new business development strategy. Despite this being a newly emerging sector, communities across the U.S. have adopted this strategy to enable diverse local food businesses to produce, store, and sell their products through a wide range of channels.

As a developing and dynamic sector of local and regional food systems, shared kitchens provide a valuable resource to communities seeking to address potential barriers to business development, including access to facilities and capital. A 2019 survey<sup>2</sup> of 180 food business owners operating out of shared kitchens found that 50% of kitchen respondents were established within the last five years, and another 28% were established within the last 5-9 years. Additionally, more than half of the kitchens surveyed responded that their primary goal for using shared kitchens was to “assist early-growth businesses” in their communities. Chefs, caterers, food truck operators, bakers, value-added producers and packaged food and beverage makers are among the food business owners who utilize shared kitchens.

To learn more about the dynamics of businesses using shared kitchens, the USDA Agricultural Marketing Service, Colorado State University, and the Food Corridor collaborated in 2021 to compile data about the role of shared kitchens in communities across the U.S. and the food business owners operating out of these facilities. This information is now available through a series of research briefs and case studies published by the USDA.

## When a Shared Kitchen is Not Available

This series of case studies highlights the role that shared kitchens are playing in the economic development and broader food ecosystem of the communities in which they operate. So, as an interesting addition to highlighting the impacts of shared kitchens, we developed a case study focused on a food business that did not operate in a region that had access to a shared kitchen as a resource.

Erica Gagne Glaze established The Pig and The Plow in Northern Colorado, in 2014, initially intending to connect local food producers and consumers. That year, Erica created an online directory for food buyers, which allowed her to quickly identify the “disconnect” and lack of options in some product spaces for local foods. This included local grain and grain-based products.


In 2017, seeing a need and demand for grain-based foods in the area, Erica decided to pivot her business into food production with the expansion to Farmstead Baked Goods. This new venture focused on small batch, handcrafted organic baked goods. Although focused primarily on sourdough bread, Erica also offered a diverse set of bakery products, particularly for direct-to-consumer markets. Though her business switched to food production, building resilient and connected food systems was still a primary driver for Erica. As The Pig and The Plow’s mission states: *Do our part to support a healthy local food shed through utilizing regional and organic sources to create our bakery products, direct people to local food sources and educate the public about sustainable meat consumption.*

To ensure her enterprise aligned with the values of the food system network she wanted to support, her early-stage production focused on sourcing local, organic ingredients and consideration for dietary concerns (e.g. gluten free). This indirectly allowed her to learn the challenges of sourcing direct and planted the seed for one of her longer-term goals of redeveloping the local grain supply chain in Colorado. Erica differentiates herself in the market by using traditional sourdoughs that use heritage grains, are naturally leavened with their starter “Maude”, and have simple ingredients such as organic flour, water and sea salt, and any number of add ins.

### Colorado Grain Chain

Prior to the pandemic, The Pig and The Plow collaborated with Moxie Bread Co’s Flour Studio to improve the ability for food producers and chefs to source their grains locally. Together, Moxie and Erica are working to expand the Colorado Grain Chain into Northern Colorado. In addition to solely using Colorado grown and milled whole wheat Turkey Red, Rye Flour, and several heritage grains at The Pig and The Plow, Erica has hosted several conversations and events to promote the local grain supply chain. As Erica has the continued ability to grow her presence in the Northern Colorado food system, she hopes to be a key node for the further development of the grain sector.

Visit <https://www.coloradograinchain.com/> for more information.



*Loaves of sourdough cool before being taken to market to sell.*

The evolution of a baked good business is anything but simple. In fact, The Pig and The Plow case emphasizes the additional challenges, problem solving and perseverance that may be required of an entrepreneur who is not working through a shared kitchen. This story shows one of the ways that shared kitchens are important as a community asset to support food business development. Moreover, this case shares the timeline and rationale for the different stages of how this food business developed, and how the challenges it faced influenced business strategies and decisions. This case provides lessons for others who may not have a shared kitchen or other business development services readily available as a resource to support a food business owner during their early stages.

## The Pig and The Plow: Tenaciously Putting Its Vision into Action

### *Business Phase: First Year in Business (2017)*

**Revenue:** \$14,000

**Production Location:** Home Kitchen

**Rent:** \$0

**Market Channels:** Friends and Family/Directly Known; Farmers Markets

In 2017, Erica Gagne Glaze began a cottage food business since she found that Colorado's Cottage Foods Act, which allows for specific types of food to be sold directly to consumers without licensing or inspection was favorable to such businesses. This law allowed her to start with very little capital upfront. Despite the many advantages of the Cottage Foods Act, there are also some limitations including a business only being allowed to earn net revenues of up to \$10,000, being required to sell directly to customers (e.g. not being able to sell to grocery stores, hospitals, schools), and limiting sales to within Colorado state lines. During 2017, The Pig and The Plow sold only directly to people Erica already knew as well as at a handful of farmers markets, limiting sales to \$14,000.

### *Business Phase: Second Year in Business (2018)*

**Revenue:** \$30,000

**Production Location:** Own Property/Shipping Container

**Rent:** \$0

**Market Channels:** Friends and Family/Directly Known; Farmers Markets

Still, the ability to work under the Cottage Foods Act did allow Erica to gradually grow in the market, such that in 2018, she felt confident enough to expand by setting up a bake house in a shipping container on her own rural property to increase her production capacity. The Pig and The Plow's sales expanded by almost double between 2017 and 2018, but the continued limitation of a small oven space required Erica to spend 50 or so hours per week on cottage food business production and marketing. The rural location of her home also made it difficult for her to find and keep customers. In short, Erica had to provide a higher level of labor in rotating shifts of breads baking because she lacked access to capital, a larger kitchen facility and adequate equipment. During this time The Pig and The Plow operated under the cottage food laws that allowed her to operate without access to commercial facilities while still growing direct sales (which increased to almost \$30,000 by the end of 2018).

## *Business Phase: Third Year in Business (2019)*

**Revenue:** \$50,000

**Production Location:** Commercial Kitchen in Retail Business

**Rent:** Labor in exchange for access to kitchen, approximately 10 hours in-kind per week; after a couple of months switched to \$100 a month

**Market Channels:** Friends and Family/Directly Known; Farmers Markets, Wholesale

As Erica continued to build her markets and demand, in 2019 she identified a partner that would give her access to their commercial kitchen that would allow for sales beyond direct channels. Erica produced the items that would be sold at the kitchen owner's retail location (essentially paying rent through her labor). She could then have access to the facility for production of her own goods when that baking was completed. After a few months she stopped trading labor and instead paid \$100 a month for access to the equipment after normal business hours.

Through this arrangement she was able to sell her products at the kitchen owner's location which provided a retail market option not previously available to her business. According to Erica, this option was not as well suited to a growing business as a shared kitchen option, but it did allow her access to some adequate equipment and a kitchen with minimal capital since her "rent" was first her labor through baking the kitchen owner's products and then just \$100 a month. Although this creative arrangement allowed The Pig and The Plow to grow sales, particularly through access to wholesale buyers, it continued to require long hours for Erica, often till the early hours of the morning to accommodate the business' operating hours. Although eligible to sell in more markets since access to the commercial kitchen allowed for sale to wholesale channels, the facility still only allowed for limited production volume and no storage capability. However, it did allow The Pig and The Plow to continue to expand to new markets and increase sales to almost \$50,000.

At this point, the business development model that The Pig and The Plow needed to follow required for constant repositioning and relocation, illustrating the challenges for a business trying to get established in a region without a shared kitchen available to accommodate growth through the early stages of a food business.

## *Business Phase: Fourth Year in Business (2020)*

**Revenue:** \$65,000

**Production Location:** Catering Operation

**Rent:** Started at \$250/month then increased to \$350 as sales grew

**Market Channels:** Friends and Family/Directly Known; Farmers Markets, Wholesale, Online

In 2020, Erica identified a catering operation that had more capacity to share its kitchen with The Pig and The Plow, if the days and hours during which she operated were flexible. It allowed her to grow her wholesale accounts to a substantial share of its sales but did not provide a retail option (like her previous location). Farmers markets were utilized to make up for the lack of a retail location, however more time and labor were required to be in-person to sell the product at the market. This new location helped annual sales grow to \$65,000, even when COVID-19 disrupted many existing wholesale accounts. Erica found she could pivot online easily as she already had a strong following of direct customers and a solid website. In fact, The Pig and The Plow did well. All sales lost from wholesale accounts were readily gained back from customers who were shifting quickly and strongly to purchasing products online. At that time, 90% of sales were bread loaves, but she continued to offer a variety of bakery products in support of customer interests.



*Fresh loaves of sourdough bread  
are ready to purchase.*

## Business Phase: Fifth Year in Business and Beyond (2021 – Current)

**Revenue:** Predicted \$100,000 in 2022

**Production Location:** Kitchen Facility with Retail Space

**Rent:** \$900/month inclusive

**Market Channels:** Friends and Family/Directly Known; Farmers Markets, Wholesale, Online

In her fifth year of operating (2021), Erica had the opportunity to begin working in a facility, with expanded hours and equipment for production, that also allowed for production volumes and diversity in product offerings to support wholesale accounts and farmers markets. This location also has operating hours and space that allows for retail sales. While the location offered the promise of retail, the reality was the retail was inconsistent and traffic was low due to a small window of operating hours controlled by the space's owner. With the expanded production, obtaining adequate and appropriate equipment (something all her previous production spaces lacked), and marketing capacity, Erica believes she will gross over \$100k in sales for the first time in 2022.

Beyond expanded capacity, sales are likely to grow as her product offerings may further diversify given the retail and food service options possible in the new location. In addition to growing her own business, the networks she has made in direct, retail and restaurant markets, as well as due to operating in different spaces, has led Erica to consider next steps and new directions for her role within the Northern Colorado food system.

## Different Challenges Faced by The Pig and The Plow

As previously stated in the beginning, this case study is different from the rest of the series in that it illustrates how the lack of a place for a “safe” start up, innovation and growth perhaps led to a greater set of challenges for a business like The Pig and The Plow. Erica was still able to successfully navigate the early years of developing her bakery. However, she faced the disruptions and transitions of having to move to different facilities each year and having to invest more labor hours than might have been necessary if there were a shared kitchen. This was all in addition to needing to develop her own network without the benefits of a “cohort” of other start-up businesses which is something typically created when a business is part of a shared kitchen or business incubator.

Erica's growth, which almost doubled every year, growing even during the disruptions of COVID-19, indicates these barriers were not significant enough to thwart her efforts. That said, it does leave one to wonder how much more sales growth, network building and supply chain leadership Erica might have been able to accomplish had she not had to constantly search for and transition to new facilities and equipment, while still managing new tenant relationships. Moreover, all but the most recent facility limited the hours and buyer/market access from which Erica could choose. In short, she succeeded despite these barriers.

Another thing to note is the lack of real estate in Erica's area, especially smaller spaces (under 1,000 square feet), and the expense of the available real estate which creates a major obstacle to food businesses wanting to transition or scale up. Shared kitchens provide access to those spaces and often businesses can rent more and more space as their business expands. Diversified shared kitchens (that can accommodate different types of food businesses) and scale up spaces are even more crucial because of increasing real estate prices and the lack of available spaces that can accommodate these businesses.

It is important to understand that this is a common situation for most startup food businesses. In the context of this case study series, it provides the rationale for why we began to see visionary community leaders develop, fund, and grow shared kitchen projects that include business services and network opportunities in addition to equipment rentals across the country. They realized there were opportunities to motivate food entrepreneurs into action.

## Endnotes

1 Meader McCausland, Dawn, Rachael Miller, Ashley Colpaart, Meghan King. 2018 Shared Kitchen Toolkit: A Practical Guide to Planning, Launching and Managing a Shared-Use Commercial Kitchen. Fort Collins, CO: The Food

2 Econsult Solutions, Inc. 2020. U.S. Kitchen Incubators: An Industry Update. Retrieved from [https://econsultsolutions.com/wp-content/uploads/2020/01/Kitchen-Incubators-2019\\_1.14.20.pdf](https://econsultsolutions.com/wp-content/uploads/2020/01/Kitchen-Incubators-2019_1.14.20.pdf)

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