

The Market Entry Fund

CO-RETAILING AWARDS PROGRAM

APPLICATION GUIDELINES

August 2020

BACKGROUND

The Market Entry (MEF) is a nonprofit that supports CPG food startups in Minnesota. Its core mission is to enable equitable participation in the market place by traditionally marginalized and underrepresented entrepreneurs, who are in food production and manufacturing. MEF does this through advocacy, business and technical supports along with micro-grants. The founding board member of MEF, a CPG food entrepreneur of Asian descent, helped founded this organization when she started her food business in 2015, and couldn't find any programs in the Twin Cities nonprofit entrepreneurship ecosystem with expertise in food manufacturing and start up that would understand her business needs. CPG business in food is pretty complex business - that is heavily regulated across multi-government levels, requiring deep knowledge and hands on technical support services -- well beyond the business coaching, planning, and networking services that exist today. Noticeably, this is also an industry where many women and people of color start up business.

MEF partners with expert organizations and individuals to offer the above services and address challenges in the market place for Black, Indigenous and People of Color. Our community of food producers are food manufacturers who take the farm goods and turn them into value-added consumer goods as well as farmers/growers.

CO-RETAILING AWARDS PROGRAM OVERVIEW

The food supply chain is complex and complicated, and there are many organizations and individuals working to address challenges in the global context. TMEF's objective is to tackle specific and local obstacles within our reach – one of those being low margins for local foods. Small, local producers work long and labor-intensive hours to produce food for us, and they deserve better margins than typically offered if they are to be sustainable. TMEF seeks innovative approaches to help local producers minimize the cost of getting their goods to local markets, while increasing the overall pricing for their goods. This is where the Co-Retailing Award Program comes into play. It is the first year this Program is offered and we expect to not only enable a handful of producers to go to market with higher margins for their goods, but we plan to use this as a learning year, if we are to position future resources for the best impact.

Purpose of the Award: To enable local food producers to test their products on consumer shelves by paying the cost for a select group of food producers to join co-retailing. Co-retailing is a new grocery model that gives the producers all of the retail sales proceeds from the sale of their goods, while the grocery store manages the retail logistics and administration on their behalf. MEF will work with Seasoned Specialty Food Market (Seasoned) as its operational partner. Seasoned is the first in the state to test this new grocery model. While still in the early stages, this new grocery concept at Seasoned has served over 40 local food producers since March 2018.

Benefits of the Award: Each food manufacturer who is selected will get the following benefit for up to 12 months, starting around November 2012:

- 1) steady, consistent, year-round retail shelf
- 2) retail staffing for those product(s)

- 3) product marketing and promotions
- 4) sales reporting and tracking and most uniquely of all,
- 5) retain all of the retail sales proceeds from the sale of your product(s).

Eligibility: To receive an award under this partnership between TMEF and Seasoned, food manufacturing businesses must be producers who meet the following eligibility criteria:

- 1) Must be licensed by the state Dept of Agriculture as a food manufacturer.
- 2) Must be a producer incorporated in the state of Minnesota.
- 3) Must be women-owned and/or person of color-owned (defined as at least 51% owned and operated by entrepreneurs from these communities).
- 4) Must be in business for no more than 3 years and/or have less than \$100,000 in gross revenue per year since inception.

Current co-retailers at Seasoned Specialty Foods are eligible to apply BUT must be finalizing their current and direct contract with Seasoned Specialty Foods by no later than December 31st, 2020. Preference is given to those producers whose business or product is new on the market, and/or whose business has not benefitted from co-retailing.

Selection Criteria (not exhaustive): We encourage anyone who meets the eligibility criteria to apply. The most competitive applicants are those who meet the following selection criteria and/or help the MEF create a robust and diverse portfolio of manufacturers. Important Note: Businesses selected for co-retailing under this program will need to sign agreements with Seasoned and/or the MEF before awards and services are final and executable.

- 1) Readiness to be on consumer shelves (be thorough in replying to questions about readiness, e.g. ability to produce at volume if needed, packaging and labeling are ready to go, state/agency licensing and regulatory requirements have been met. See application questions).
- 2) Uniqueness of products (we seek to bring a diverse selection of products to the shelves and will select carefully a diverse set of products).
- 3) Diversity of producers (having geographic and cultural richness in our portfolio is a goal. We encourage many communities from across the state to apply).

Awards will be selected by a group of individuals knowledgeable in the area of food and agriculture, beverage and/or startups business. Between 6-10 Awards may be awarded.

Summary of Timeline:

Application Opens: August 10, 2020

Applications Due: October 8, 2020

Finalist Selection by: October 23rd (*Finalists may be asked to provide product samples for final review*).

Winners Announced: November 6th

Products on the Shelf by: November 17th (if all paperwork is returned by Awardee on time).

How to Apply: Visit our website for further details and to **download the application questions**. Contact: Kayla Yang-Best, Board of Directors and Managing Director at info@marketentryfund.org.