YOUR FUTURE IN FOOD

Renting Out Your Commercial Kitchen – Things to Consider



Do you have free time when things aren't busy at your own processing facility? Do you manage a commercial kitchen in your community and are looking for opportunities to increase revenue?

In either scenario, you may want to consider renting your kitchen out to food entrepreneurs who need a licensed kitchen to process food products to be sold at farmers' markets or retail and food service establishments.

Renting your licensed commercial space can provide extra income for you and provide an opportunity for food entrepreneurs to launch and grow their businesses, without needing to invest in their own facility during start-up when capital is a challenge. More of these arrangements are becoming popular in commercial community kitchens and private licensed facilities, providing a pathway to support food entrepreneurship, economic development and increase local food security.

Here are some things to consider before renting your facility:

- a. Make sure your kitchen has a current **Permit to Operate a Food Service Establishment**, issued by <u>Manitoba Health.</u> This permit is issued on an annual basis and should be posted in a visible location in the kitchen at all times. A renter who wants to produce food for sale must work in a kitchen that has a current permit. If your permit is not current, contact a <u>public health inspector</u> at Manitoba Health.
- b. Consider advertising your kitchen for rent. Manitoba Agriculture has a current online listing of Commercial Kitchens available for rent. You can include your kitchen in the listing free of charge. Your kitchen does not need to be in the online listing for you to rent it out, but the listing is a great way to get some free marketing.
- c. Consider what equipment in your kitchen will be available to a potential renter? What days and hours is the kitchen available for rentals? What are the kitchen sanitation requirements? Is storage available to renters? Prepare a list of what is available and what is off limits. Are you prepared to provide training to the renter on how to use this equipment?
- d. Determine what the costs will be to rent your kitchen on an hourly, daily or monthly basis and what damage deposit you will require.
- e. Develop a rental agreement for renting your kitchen that suits your schedule. It is recommended to have this agreement in writing. This will ensure that the rules for renting your kitchen are understood by both parties. The contract agreements may include, but not be limited to; rent fees, liability insurance, times of operations, list of foods to be produced in the kitchen, food safety operations, cleaning and sanitizing, regulatory agency inspection, storage for raw and finished product, clearly defined security policy, cancellation policy, garbage disposal, licenses and permits.
- f. The renter should have their own the procedures and practices in place that are needed to comply with food safety regulatory requirements including those pertaining to employee hygiene and





practices, handwashing, use of gloves, safe food sources, safe food temperatures and cross contamination. The rental agreement should include "Food Safety Operations" with expectations for the cleaning of equipment and sanitization of the space.

- g. Any food processor making food products for sale in your kitchen is required to have their own permit to operate in your kitchen. Ensure this is in place before you finalize any rental agreement. The Manitoba Agriculture website outlines information on how to get a permit (www.manitoba.ca/agriculture/food-and-ag-processing/starting-a-food-business/community-kitchens.html) to operate in an inspected kitchen.
- h. Request that the food processor have general liability insurance in place to cover them while working in your kitchen. This insurance covers their workers and their product while working in your kitchen.
- i. Here are some tips to help make the arrangement with renters go as smoothly as possible:
 - Limit operations to only those for which the kitchen has the appropriate equipment, space, and facilities for production.
 - Maintain a file for each kitchen operator, including but not limited to the rental agreement, processing permit, and scheduled processes.
 - Set up activity tracking to assure renters are charged accurately for hours spent in your kitchen and to provide a system to track previous renters in case of an accident, equipment failure, fire, flooding, etc.
 - Identify your rental capacity and do not rent beyond the identified capacity. Do not overbook, or schedule rentals that cause operators to process with insufficient production time or space.
- j. Refer food businesses who are making a food product to sell to farmers' markets, or retail and food service to work with a Manitoba Agriculture Business Development Specialist.

A safe, sanitary, secure environment, maintaining cooperation among tenants and assuring regulatory compliance and cleanliness will provide a good framework for successful community kitchen rentals.

A sample kitchen rental agreement can be found <u>here</u> (www.manitoba.ca/agriculture/food-and-ag-processing/starting-a-food-business/kitchen-rental-agreement.html).

For more information

Go to manitoba.ca/agriculture/food-and-ag-processing/ Email mbagrifood@gov.mb.ca Follow us on Twitter @MBGovAg And Manitoba Agriculture YouTube

Available in alternate formats upon request