

## HAPPY GIRL KITCHEN

By Ginger McNally, National Federation of Community Development Credit Unions

**HAPPY GIRL KITCHEN**  
Pacific Grove, California

**SECTORS:** Food Processing and Retail

**WEBSITE:** [www.happygirlkitchen.com](http://www.happygirlkitchen.com)

**OWNERSHIP TYPE:** Sole Proprietorship

**YEAR FOUNDED:** 2001

**NUMBER OF STAFF:** 9 employees, including two owners.

**TOTAL REVENUES:** \$270,000 in 2010

**BARRIERS TO CAPITAL:** Start-up, Limited Collateral

**STRUCTURAL LINKAGES TO CAPITAL:** Loan guarantee through Small Business Administration, business plan training through Women's Initiative microenterprise organization.<sup>1</sup>

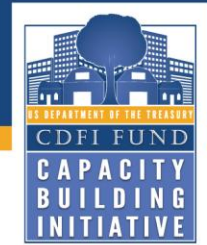
**SOURCES OF CAPITAL:** SBA 7a loan, Owner's Investment

**SPECIAL INTEREST:** Farm-first value-added food production

**IMPACT/OUTCOMES:** The loan to Happy Girl Kitchen allowed the food processor to open their own small café/retail store and commercial kitchen which they lease to other micro-food producers. As a "micro-cannery," the small business owners support local small and organic farms by purchasing surplus seasonal produce, resulting in a reduction of food waste in otherwise unsold produce. The business expansion, made possible by the loan and the microenterprise training, resulted in 9 jobs, including employment for the 2 owners.

Jordan and Todd Champagne were working at an established organic farm, Happy Boy Farms, selling fresh produce at local farmers markets when they started to experiment with making pickles. Motivated by trying to reduce food harvest waste and make affordable, healthy food available to local consumers, Todd and Jordan used the produce wash room at the farm to preserve five different types of surplus vegetables and sold them at the farm produce tables. Learning as they went, Jordan and Todd talked with a local food inspector, moved their canning operations out of the produce wash room, and rented space at certified kitchens, first in a bakery and later at a small Grange Hall. In order to support themselves and their fledgling business, Todd and Jordan continued to work at Happy Boy Farms for the first five years of their growing canning business, and for the past five years have focused exclusively on

<sup>1</sup> Women's Initiative microenterprise organization serves low-income women, including women in poverty and making the transition from welfare to work. Bilingual and bicultural, Women's Initiative was awarded the Presidential Award for Excellence in Microenterprise Development in 2001. (Source: [www.womensinitiative.org](http://www.womensinitiative.org))



the development of Happy Girl Kitchen. In October 2010, the Champagnes opened their own commercial kitchen and small café with a retail section for their original preserved food products.

As Jordan describes, “We were ‘shoe-boxing’ it for our first several years,” including using a \$10,000 personal loan from a local bank. As Todd says, “There’s not a lot of precedent for what a micro-cannery looks like. At first, we would describe it as similar to a micro-brewery, but with pickles instead.”

Faced with a decision to either sell or expand their young business, Jordan attended a three-month microenterprise training program taught by Women’s Initiative, a nationally-recognized microenterprise training program. Jordan says the program is “for women who have a dream to start or expand a business” and gave her the “full picture of all aspects of having a business.” She used the microenterprise training to plan an expansion of her business and to develop a proposal for bank financing. Jordan and Todd were successful in obtaining a \$75,000 SBA 7a loan from a local bank and used the funds to sign a five-year lease on a retail space, do extensive leasehold improvements, and build their own commercial kitchen. Todd says, “There is no way we would have been able to expand our business like this without the loan. We feel so fortunate.”

In addition to selling their products on-site at the café and kitchen, Happy Girl Kitchen sells their goods at several urban and rural farmers markets, online, and teaches popular classes on how to preserve a wide variety of food.

Todd thinks that the high cost of building a commercial kitchen makes it essential to have kitchen incubators to support the network of small sustainable food producers across the country. “The cost of these kitchens overshadows the assets of these small businesses,” he says, and adds that Happy Girl Kitchen rents out space in their commercial kitchen to a local chocolatier and a baker, as well as primarily using the space for their own canning and preserving.

In addition to being a classic farm-first, value-added food production enterprise, utilizing a local, organic market differentiation approach with a retail component, Happy Girl Kitchen is distinctive in its support of local small farmers. By purchasing surplus seasonal food from local organic growers and transforming it into a wide array of preserved products, including pickled vegetables, jam, salsa, and more, Happy Girl Kitchens supports the growing of small lots of heirloom and unconventional produce that typically has difficulty selling and shipping to large grocery chain stores. In an agricultural area that was hard-hit by widespread closure of food processing plants following the passage of the North American Free Trade Agreement (NAFTA) in 1994, Happy Girl Kitchen offers a new approach to delicious food processing based on seasonal local produce, food waste reduction, and support of small organic local farmers.