



VALUE ADDED PRODUCTION FACILITY IN CENTRAL SOUTH DAKOTA

INTRODUCTION

After the SD Specialty Producers Association (SDSPA) held Regional Aggregation Meetings in 2023, there was interest in a facility for value added production in Central SD along I-90. This survey was conducted to gather insight on the best location, equipment, and price point for a commercial kitchen or co-packer facility.

COMMERCIAL KITCHEN VS. CO-PACKER

A **commercial kitchen** can be rented out by the day or hour to the business owner to create their value added products themselves in the rented space.

A **co-packer** is an entity that you hire to use your own produce and recipes to create the final value added product.

POTENTIAL USE OF THE FACILITY

Respondents expressed interest in using the facility for canned, dehydrated, frozen, and baked goods. To complete the desired tasks, some of the needed equipment is listed below.

- stove and convection oven
- dishwasher
- dehydrator
- steam kettle
- water baths and canning equipment
- dehusker and kernel processor
- prep and packaging space
- flash freezer
- Basic utensils, pans, pots, and cutting boards

Respondents estimated needing 4-24 hours in the facility per project.

LOCATION OF THE FACILITY

Kimball SD was the preferred location for a commercial kitchen or co-packer facility. Other locations mentioned were Murdo, Chamberlain, and Mitchell.

PRICE & PAYMENT

When asked what respondents would be willing to pay for a **commercial kitchen** space answers ranged between **\$100-\$400** per day and **\$20-\$35** per hour.

When asked about payment for a **co-packer** 57% of respondents preferred paying for a designated amount of time vs. per packaged units. Respondents indicated they would be willing to pay **\$25-\$35** an hour or **\$2** per packaged unit.



This survey and publication was supported by the Specialty Crop Block Grant Program at the U.S. Department of Agriculture through grant 21SCBPSD1036-00.