Shared Kitchen Survey Insights

As an innovative and newly emerging sector in the food supply chain, shared kitchens enable diverse local food businesses to produce, store, and sell their products through a wide range of channels. They provide a valuable resource to communities who seek to address potential barriers to business development, including access to facilities and capital.

Shared kitchens are defined as "licensed commercial spaces that provide a pathway for food entrepreneurs—ranging from chefs, caterers, food truck operators, and bakers, to value-added producers and packaged food and beverage makers—to launch and grow their businesses."

Given their relatively recent growth, little is known about the types of operators using these facilities and the dynamics of their business growth. In 2021, Colorado State University and the Food Corridor, funded through a cooperative agreement with USDA’s Agricultural Marketing Service, conducted a survey of food business owners operating out of shared kitchens to learn more. Survey responses were collected from April through October 2021 with a total of 179 complete responses. Questions focused on business operation characteristics, motivations, and challenges they face.

For more details on the sample, see the Survey Overview research brief.
The Good and the Bad

Operating a business from a shared space presents some challenges. The most reported challenges include difficulty sharing space (40.8%) and a lack of space (39.1%), followed by limited choice of kitchens locally and the expense of operating from a shared kitchen. The average annual rental fees reported were $4,533, with a range from $0 (n=53) to $132,000. When the individuals who reported $0 in fees are removed from the calculation, the average fees increase to $6,995, a 35% increase.

Figure 1. Shared Kitchen Challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inconvenient location</td>
<td>11.7%</td>
</tr>
<tr>
<td>Equipment unavailable</td>
<td>14.0%</td>
</tr>
<tr>
<td>Expensive</td>
<td>35.2%</td>
</tr>
<tr>
<td>Limited choice of shared kitchens</td>
<td>35.2%</td>
</tr>
<tr>
<td>Not enough space</td>
<td>39.1%</td>
</tr>
<tr>
<td>Difficult to share</td>
<td>40.8%</td>
</tr>
</tbody>
</table>

Note: N= 179, respondents could select all that apply, so totals may exceed 100%. Ten respondents chose “not applicable.”

Regarding the cost effectiveness of shared kitchens, 67.5% of respondents reported that affordability was a benefit to the shared kitchen. However, as previously noted, 35.2% found it too expensive. Different business development phases likely resulted in different responses from food businesses. Those who were just growing sales with little capital or earnings to reinvest were likely most concerned with controlling all costs, especially if they previously operated in their own kitchen as cottage food businesses. The respondents also reported flexible scheduling as a top benefit (49.7%), followed by access to specialty equipment (33.5%) and a supportive community (27.3%).

Dry storage, refrigerators, freezers, event space, offices, and retail space are some of the resources shared kitchen facilities may include (Figure 2). In the survey, respondents could select all resources that applied to their business. More than 35.2% of respondents reported using both dry storage and freezers, 47.5% used both dry storage and refrigerators, and 39.1% used both freezers and refrigerators. More than 20% of survey respondents selected that they used dry storage, refrigerators, and freezers.

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– Matt Owens, Findlay Market
The survey asked about purchasing services from the shared kitchen, and 75.9% reported that they did not purchase any services. Professional service options included accounting services, ingredient and supply sourcing, marketing services, and accounting services. Only 20.6% of all respondents chose one or more of these services, with 6 respondents choosing not applicable.

### Into the Future

Many businesses are doing well and looking to their future. As shown in Figure 3, most business owners expressed optimism and indicated plans for expansion. While challenges might persist, almost all respondents hoped to expand in the future. Specifically, 67.6% of respondents selected “definitely yes” in response to the question asking whether they will expand in the future; another 18.9% replied “probably yes.” The remaining respondents chose “definitely not” or “probably not” to future expansion. 7.4% of respondents were unsure about their plans. A follow-on question was posed asking why individuals did not intend to expand. Responses to this question included being content with the current size of their operation, not having the financial resources or labor to expand, and/or that the economic times were uncertain.
It’s interesting and important to understand how these owners plan to expand. Figure 4 shows respondents future plans for their businesses. Most businesses responded that they planned to increase in sales and expand to more market channels, and some businesses planned to increase product offerings in addition to broadening their geographic reach. Encouraging responses included plans to hire more employees, operate in larger kitchens or open their own sites, as these may be the strongest indicators of confidence and perceptions that they can sustain future growth.

**Figure 4. Expected Business Expansion Activities**

- **Increase sales**: 68.7%
- **Expand to more channels**: 57.0%
- **Increase offerings**: 35.8%
- **Expand to a larger kitchen**: 31.3%
- **Expand regions**: 26.3%
- **Expand to a brick and mortar**: 23.5%
- **Other expansion**: 6.1%

*Note: N=179, respondents could select all that apply, so totals may exceed 100%.*

Overall, even with challenges, and in the midst of a pandemic, individuals who operate their businesses from shared kitchens were looking towards the future and working to increase sales and market opportunities. They sometimes found it difficult to find the space they needed and to share that space with others but found a benefit to the affordability and flexibility offered by using a shared kitchen. Respondents also noted the ability to rent all means of storage including refrigerator space, freezer space, or dry storage as additional benefits to using a shared kitchen.

**Endnotes**


2 A sizeable portion of the sample (n = 53) responded that their average annual rental fees were $0. Responses reporting $0 in rental fees likely represent individuals who may not know their estimated annual rental fees or preferred not to answer, in addition to some share that may be using discounted kitchen space as part of a scholarship or business incubation program. According to a 2019 survey of shared kitchen managers completed by the Food Corridor, 40% of kitchen respondents (n = 47) stated that their average hourly rate is less than $20. However, it’s not known if any of these kitchens are charging $0 for use of their space or offer scholarships or subsidies for businesses operating in their kitchens.

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Photo Credit: Findlay Kitchen

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