

Launching A Keto Bakery From Home with Sari Stevenson

David Crabill: Welcome to the Forrager podcast, where I talk with cottage food businesses, about their strategies for running a food business from home. I'm David Crabill, and today I'm talking with Sari Stevenson. Sari sells ketogenic baked goods with her business, the Keto Bakery Box, which is based in Costa Mesa, California.

After adopting a keto diet five years ago, she used California's cottage food law to start selling her homemade keto friendly baked goods in 2018. Her products were such a hit that in less than a year, she moved to a commercial bakery because she simply couldn't keep up with demand. In addition to running her very popular bakery Sari is also a ketogenic living health coach and an expert in all things keto.

So today I'm looking forward to learning more about how she transformed her own life and then built a business by helping others do the same.

And with that, welcome to the show, Sari. Nice to have you here.

Sari Stevenson: [00:00:58] Thank you for having me.

David Crabill: [00:01:00] Sari, can you take us back to when you started your keto diet and how, how you kinda got into this whole keto world?

Sari Stevenson: [00:01:08] Absolutely. I started my personal keto journey a little bit more than five years ago, maybe about five and a half years ago. When I discovered that I was insulin resistant, which leads to pre-diabetes. And that was a direction that I did not want to go in. I had a DEXA body scan at my gym.

I always thought what I lived was a very healthy lifestyle. I always worked out. I always ate pretty well. However the DEXA scan determined that that wasn't true. As I had a lot of visceral body fat, which is internal, it's a fat around your organs. And I knew that I had to do something about it. So I had been working as a chiropractic assistant for several years at the time.

And I was also studying nutrition and realized you know, that the main cause of these symptoms that I was having was carbohydrate resistance. And I knew that I had to look into eating a ketogenic diet, but I had every reason and excuse not to, because I was a carbaholic, there's no doubt about it.

I was one that would live on popcorn and cereal for breakfast, lunch, and dinner. And I had no problem doing it. However, I was killing myself with that way of eating. So just after a lot of research journaling studying prayer and just coming to, you know, the face-to-face truth of the direction that my health was going.

I just jumped into keto and I did take it slow and I did not have anybody to help me. So I went through a lot of trial and errors. I went through the keto flu and all that other nonsense

that is so necessary because there's just so much information out there, but it's not a one size fits all. What works for me does not work for you.

So it took me about four or five months to really, really get into it. And once I did that, I was committed. I started seeing results. I had more DEXA scans. I got my body, my visceral body fat down to where it was supposed to be. I ended up losing about 20, 25 pounds in that four or five months, which was not my goal, but it was definitely a bonus.

And the rest is history. I'm still living this lifestyle today and I'll never go back.

David Crabill: [00:03:48] Yeah, I see keto popping up more and more, I feel like it's one of the most popular health trends right now. And um, I still feel like a lot of people don't know exactly what it is. Uh, Would you agree with that?

Sari Stevenson: [00:04:02] Absolutely. I think most people don't know what it is and what you're seeing is very true. Unfortunately, because there's no regulations on the word, keto a lot of people are using it and they're misinformed. You know, you see the word keto popping up on a lot of products on the shelves.

You see keto breads, keto cookies, keto, crackers, all this other stuff. And truly, I guess they, it depends on how you define keto but I guess I should back up a little bit. keto is short for the word ketogenic and ketogenic is a metabolic state ketosis that your body goes into with the restriction of carbohydrates.

So our bodies could only run off of two fuel sources, either glucose or fat. Those are the only two fuel sources your body could run off of. So when you're restricting carbohydrates, your body starts to produce ketones, which then burn the fat. And if you're eating carbohydrates, you're burning glucose.

Period. You're never burning your fat as fuel. But that's not to say that you're not going to lose fat. I mean, you, you absolutely can. You still have to have a deficit of calories at the end of the day. Keto doesn't mean that you could just eat all the fat and protein that you want. It doesn't mean that at all, a very common misconception um, a lot of people think back to the Atkins day where all you ate was meat and bacon and butter.

And keto is really as far from that as you can get. So that's why I ended up getting myself educated and getting certified to coach people so I could coach them and train them into what it really is.

David Crabill: [00:05:51] So can you just explain, like who would a ketogenic diet be for?

Sari Stevenson: [00:05:57] Actually it could be for anybody, but it's not for anybody. The people that are going to benefit the most from a keto, eating a ketogenic diet are people that are insulin resistant, absolutely people that are diabetic type two diabetes, not type one diabetes. Yes. But we're talking about two different beasts type one.

Diabetes is a. Auto-immune disease. So it's, it's different. Those people with Type 1 diabetes will always need insulin. The people with type two diabetes, I have worked with, and I have coached many, many people, including doctors that were either diabetic or work with

diabetic that have completely reversed their diabetes, gotten off of all medications and insulin.

It's absolutely. I believe 100% reversible. Um, Insulin resistant, diabetic um, cancer, because we, we know, and it's a fact that sugar feeds cancer cells. So, you know, many of the hospitals now are starting to have keto programs for their cancer patients. As doctors learn more about nutrition.

Unfortunately they are not taught nutrition and they don't study nutrition. But you're seeing more and more, you know, open to the fact that there are ways to even cure or reverse or put into remission cancer. So anybody with cancer would definitely, without a doubt benefit from it. People with adrenal fatigue people with brain fog there's just a whole host of ailments.

If you will, that eating the ketogenic diet will greatly greatly benefit if not reverse,

David Crabill: [00:07:49] I feel just from the outside, looking in, I feel like a lot of people go into the keto diet because they're looking to lose weight. Is that accurate?

Sari Stevenson: [00:07:58] it's absolutely accurate. I have a lot of people approach me and I have actually even turned away many clients because their goal is to go on a keto diet to lose 20 or 30 pounds within the next three or four weeks, because they're going to a wedding or they have something to go to. And that's their main focus and that could very well happen, but that's not what I do. I help people to heal their bodies. So I believe that being overweight is a symptom of something. And if we don't heal that symptom, if we don't find out what the cause of what our symptoms are. And if we don't heal our bodies, our bodies are going to hang on to the weight.

But once we heal, like I healed my insulin resistance and the weight just came off. But losing weight was not my focus. It was definitely an added bonus. And it's going to come off without a doubt, but yes, to answer your question, a lot of people will start eating what they think is keto, they're actually ending up hurting themselves in the long run because you can eat too much fat.

Um, You know, people are focusing on fat and protein. You can eat too much fat. You can eat too much protein. Everything has to be balanced and everything has to be individualized for you. So I think that if, if you want to lose weight fast, it's a good way to do it, but I'll tell you right now, it is not going to stay off.

So this is something that I believe that people really need to understand, be educated in. They have to do it right. They have to supplement, right. Supplementation is critical because in reality, we are cutting out a whole major food group. You know, so we're missing out on a lot of nutrients that we need and not to mention that our food supply is so damaged and our soil is so depleted of nutrients and minerals, we need to supplement anyways.

So when you're cutting a major food group out. You need to know how to do it, right? Otherwise you're going to end up sick and you'll lose your weight fast. You will, but it's going to come back just as fast and with a vengeance and which is so unhealthy.

David Crabill: [00:10:09] Yeah, thanks for giving us a, uh, an overview. I thought you did a really nice job of giving us a well-balanced overview of what the keto diet really is. Um, So how did this cause you to get involved in producing baked goods

Sari Stevenson: [00:10:25] I was about six months into my journey and our son was living with us at the time and he kind of jumped on the keto bandwagon with me. And he was very much a um, sweet person. I was more of the savory person. So, I never really thought much about sweets, but he was had more of the sweet tooth. And he said to me, mom, if you want me to succeed at this, we're going to have to start finding some bakery items.

And I knew that that was impossible because I had looked. You know, I'm a huge coffee drinker. And whenever I go out to the coffee shops I could never get anything to go with my coffee. It was just impossible. So him and I, we just started baking and then I started bringing some of the stuff that I would bake to the gym.

Cause when I do things, I just don't bake one batch of cookies. I bake 20 batches of cookies. I do everything big. I started bringing stuff to my gym and people wanted to start buying it from me. So I just started doing research cause I figured I couldn't legally sell food without having some sort of a license.

And that's when I learned about the cottage food license. So I just applied and started developing some recipes. We started out very small with just a few recipes. Once it got approved, I just made a Facebook page and an Instagram page, and it's always been word of mouth. We became very successful, very fast.

Nobody else at the time was you know, baking this way. And any products that you did find on the market were not clean at all. And that's how we started baking.

David Crabill: [00:12:03] So, what is the like, a keto baked good. What does that mean?

Sari Stevenson: [00:12:08] Okay. So keto is gluten-free it's also grain-free and it's sugar-free we only use almond flour and coconut flour, So those are both well, almond flour is a nut flour, and then we use coconut flour. So we don't use any grain flours or any wheat flours.

And then for our sweetener, we only use Monkfruit and erythritol, and those are both natural sweeteners. But there's zero calories, zero on the glycemic index, they're sugar alcohols. So it's not something that your body absorbs, so they don't have any calories or carbohydrates.

David Crabill: [00:12:52] Okay. So it seems like there's pretty significant restrictions behind these baked goods. So was it hard for you to develop them, to actually taste good?

Sari Stevenson: [00:13:01] Yes, very hard. It probably took me about six months and I probably threw away thousands and thousands of dollars of product, just because it tasted horrible. It's not a one-to-one conversion, so you really have to, to play around with it. And you know, the chemical reactions with the different ingredients are, are also, you know, a little bit different.

Definitely a lot of trial and error. And even to this day, there's a lot of products on the market. Every time I go into whole foods or wherever, and I see a new keto product, I buy it nine out of 10 times, it goes right into the garbage because it just tastes so bad.

David Crabill: [00:13:45] Well, I mean, how did you know that it was even possible? Or was there a point where you were wondering if it wasn't possible?

Sari Stevenson: [00:13:53] Yes, with a lot of things, there were some things that were pretty, right off the bat, they tasted really good. And, you know, we just kind of stuck with those. But then as I started developing and playing around and, you know, tweaking other recipes, there were a lot of things. Oh yeah. I was absolutely ready to just, you know, throw the towel in because it was frustrating.

But in my heart I knew. That it could be done and that there was a need for it. And I'm very stubborn and persistent and I was determined to succeed. And I did,

David Crabill: [00:14:29] Yeah. That's it sounds like it. So what is it that you actually sell? What have you created? That's keto-friendly?

Sari Stevenson: [00:14:36] uh, We actually have quite an extensive menu. So our basic items are cookies, we have several different varieties of cookies. We have muffins, we have donuts, we have bagels. Bagels are one of our best sellers, especially to our wholesale accounts and the coffee shops. We do flatbreads, we do cakes, we do cupcakes.

I do some candy items Like you know, almond bark, fudge. We do creme brulee. We do cheesecake. Pretty much everything that you would find in a, in a bakery, you know, that can be made keto. There are some things that you just can't. But most, most bakery items you can. We also do food products.

We launched our meal prep um, service about six, eight weeks ago. So we do, we make family meals, family sized meals. And then we also do a bona fide meal prep program where we supply people with their, you know, eight meals a week,

David Crabill: [00:15:44] So with most of the keto products in the stores, apparently being horrible. W what is the reaction like when people try your products?

Sari Stevenson: [00:15:54] most people are very surprised that they're keto. And I get that a lot. They'll say, are you sure? Because this just tastes like the real thing and yes, I promise you. Um, I'm so passionate about this and we use real ingredients, so we're not using any artificial ingredients. We're not using any fillers.

No preservatives, no additives. You know, and all of those things, no gums, you know, in a lot of the keto products, you'll see like xanthan gum or gellan gum, or, you know, that just add a weird texture. I think a lot of people use it to try to replace the gluten. One of the reasons that we do not make loaves of bread, because I cannot, for the life of me make a loaf of bread that tastes good without putting all of that other stuff in it.

Cause something gluten is like a glue. So something has to hold it together and all the things that you need to replace that I don't agree with. So we just choose not to do it.

David Crabill: [00:17:04] But the bagels work for some reason. Cause those seem pretty bread-like to me.

Sari Stevenson: [00:17:11] Yeah, you would think so. They are bread-like but there are also made with a lot of cheese. And almond flour, eggs. They're actually very simple, but they're, they're different. They're different than your like traditional bagel if you were to go to a bagel shop, but they're very very delicious. I don't know. Yeah. We probably make upwards of 500, 600 bagels a week.

David Crabill: [00:17:38] So going back to the beginning of this business, you launched it, I think near the beginning of 2018. And you said it just, it just took off by itself without much a marketing effort from yourself.

Sari Stevenson: [00:17:52] Yes, I've actually never done any marketing. It's always been word of mouth and just a basic Facebook page and Instagram page. And about 10 months into my journey, I had had already matched the threshold for the amount of money that you're allowed to make you know, cottage food. And I just knew that we had to go on. We had a lot of requests.

People wanted our products shipped as well. We got onto the first page of Google very fast. So when people, you know, were Googling keto bakeries from all over, I was getting messages, emails from all over the place. People who found our website wanted the product shipped. So I knew it was time. We had to start looking for a commercial kitchen. So by January of 2019, that's when we moved into our kitchen

David Crabill: [00:18:42] was there just not any other keto bakeries in the area at all?

Sari Stevenson: [00:18:47] None. And now there there's a few I think they're a little bit questionable in my area. Anyways. There are some, there are some wonderful keto bakers out there. More so in your area in Northern California. But for some reason in Southern California, it's just, keto has become very, very popular.

There's a few store type places that, you know, focus on keto, but they're more like resalers of they're like small markets, if you will, where we focus strictly on fresh food. I don't package anything. We don't do any packaging.

David Crabill: [00:19:27] Yeah. So you are um, you're now selling to stores, right? Indirectly. You're shipping. And so what, what, how does that all balance out, like how much of your business right now is direct sales versus wholesaling to other stores versus orders come in from the website and you're shipping them out?

Sari Stevenson: [00:19:47] I would say right now today we're probably maybe 65% wholesale and

30% direct. And 5% shipping since COVID hit we've, our shipping orders have gone way down. And I think a lot of that is just because the shipping companies are an absolute nightmare right now. And shipping rates have gone up outrageous. We still have a fair amount of, shipping.

but it's not really where we're focusing at so much anymore as our wholesale accounts have grown.

it's interesting, because as our wholesale accounts grow, our direct sales go down because people are able to go and pick up their products. Unless they want things in bulk or they want something that the shops don't have that are on our menu, like cakes. There are quite a few things that have to be special ordered.

That they're not available on any of the, the shops?

David Crabill: [00:20:46] Yeah, that makes sense. So, as you grew this business in 2018 when did it hit you that this was really starting to take off.

Sari Stevenson: [00:20:57] Probably about six months into it because I was working full time and it got to the point where I couldn't do both anymore. So, I had to make a decision. It had to be one or the other. And my husband was actually getting ready to retire. So we just really had to consider, you know, what we wanted to do, but we saw the potential with the business.

So we just took a giant leap of faith and I quit my job and worked full time at home, you know, in my, in the cottage kitchen. You know, until we just, it took over our house. I have a big kitchen too. I have a huge kitchen. And if you walked into our house, you would have thought it was a danger zone. I mean, there was not one horizontal surface that wasn't covered with, you know, racks and racks of, you know, bakery.

And my house was turning into a bakery, you know, if the speed racks and the sheet pans and it just, we, we just didn't have our space anymore. So,

David Crabill: [00:21:58] So, what was it like to transition? Were you looking into renting a commercial space were you're looking into buying a commercial space?

Sari Stevenson: [00:22:08] We were not looking into buying a commercial space at the beginning. Because we, we just didn't know, you know, what would happen? We looked at a few. Kitchens. We'd looked at some catering companies that were willing to share their kitchens with us. and then we also looked at shared kitchens or incubator kitchens, which is what we ultimately decided on.

So we're at a place it's called the hood kitchen space in Costa Mesa. They have numerous commercial kitchens and two bakery kitchens. We actually have what we call our corner. We have a permanent space?

there where we rent a nice size room if you will. It's ours 24 7, and then we rent that. And then we book and rent our kitchen time as we need it.

David Crabill: [00:22:58] Have you had that 24 7 space since the beginning.

Sari Stevenson: [00:23:02] No, no, just got that about four months ago. There was somebody in there and we were just waiting for them to move out and I, I jumped in on it.

um, Because we were, you know, when you're in a shared kitchen, you pretty much have to pay for all of your real estate. So, we were paying for refrigerator shelving.

We were paying for dry storage. Um, And then we were also hauling a lot of stuff back and forth, which was becoming very cumbersome. So when this space opened up you know, we were able to get a big our own commercial refrigerator which we have in there. We have a lot of our old shelf space.

So we were able to move everything out of the various you know, rental storage um, pieces that we were renting, you know, within the kitchen. Uh, So now we have. We have that area. So it's all set up. That's where we do all of our prep work. And then we just do all of our baking and in, you know, we rent the kitchen by the hour.

So we rent that as we need it.

David Crabill: [00:24:03] So, I know you probably spend quite a bit more on this space now that you have the 24 7 uh, location. But when you started, you remember, I mean, you went from having your home kitchen, which costs almost nothing to renting out this commercial kitchen. What kind of jump was that for the costs like the monthly cost?

Can you remember how expensive it was to make that transition?

Sari Stevenson: [00:24:29] Well, when we first started and we were just renting kitchen space, I would probably say we were Spending probably about \$2,000 a month. More than what we were baking at home.

David Crabill: [00:24:44] And uh, about how much were you actually using the kitchen space?

Sari Stevenson: [00:24:49] we were probably using the kitchen, maybe 12 hours a week,

David Crabill: [00:24:55] Did you find that you're able to produce a lot more in the commercial kitchen

Sari Stevenson: [00:24:59] a lot more. So we probably were what I was able to do at home in maybe eight hours I could do in the kitchen

with the helper and probably two hours.

David Crabill: [00:25:15] and with your business blowing up and growing so quickly? Why didn't you think about just buying your own commercial kitchen space?

Sari Stevenson: [00:25:26] we're always looking mainly because it's so expensive and yes, we are spending a lot of money right now. But to retrofit something or find something in the right neighborhood or location that has decent equipment, we just, we honestly we just haven't found it yet. It's something that we're definitely want to do. we just haven't found it

David Crabill: [00:25:50] So when you started selling your products, I mean, one of the nice things about it being diet specific and keto is that you could charge a lot more for your

product. But how did you figure out if there were any other keto bakeries to compare to, how did you figure out how much to charge in the beginning?

Sari Stevenson: [00:26:11] I just used formulas. I bought some bakery software and just talk to some people. You're right. Our product is very expensive and mainly because our ingredients are so expensive you know, so that of course was the first thing that I took into consideration. You know, and then of course, besides your ingredients, you know, your labor costs, your operating costs.

Now we have, you know, several employees, I'm paying payroll and workman's comp and you know, all of that. So you, you just really have to, you know, sit down and figure out what is it costing you, you know, to make this product. And we had to figure it out, down to like the penny um, you know, how much something would cost even like per ounce and then figure out your profit margins.

David Crabill: [00:26:57] When customers were faced with the prices. Were they shell shocked or were they like super willing to pay the prices that you came out with

Sari Stevenson: [00:27:07] It's interesting. By far the majority of the people don't even ask and they're more than willing to pay because they know what they are getting. And they know what it costs to produce the product. A lot of our customers have tried baking on their own. I hear it every single week. You know, what is your secret? I've tried baking this. you know, so they just, they just know. Same thing in the coffee shops. I mean, you our donuts sell for, depending on the shop between five and \$6 for one donut and they're selling a lot of it. People don't even ask how much it, it costs kind of shocking, but they know what they're getting.

But then, you know, you do get that person that, you know, why it's so expensive, you know, or, wow, that's ridiculous. So I explained to them why, what goes into it and what they're getting. And typically once they taste it, they can't believe it. I think a lot of people are turned away too, because as we were talking earlier, they taste so many things that just taste awful.

And they think that's what they're going to get. But for the most part they just don't care, they pay what we ask.

David Crabill: [00:28:17] It's one of the benefits of living in Southern California.

Sari Stevenson: [00:28:19] Yes. Yeah. It's, it's really true. we're in one shop on the border of Costa Mesa and Newport, and she charges way higher than our MSRP. Yeah. It's not the price tag that are deterring people at all. Crazy.

David Crabill: [00:28:37] So can you give me a little like a snapshot of what your prices actually are for some of your products?

Sari Stevenson: [00:28:45] Okay. So for instance, our chocolate chip cookies, they run \$36 for a dozen 20 for a half a dozen. Bagels six bagels, six plain bagels are 22. Um, We do cupcakes a half a dozen cupcakes is \$32. We have a carrot cake and eight inch carrot cake.

That's \$35. our double chocolate cake or, you know, our two layer cakes. It's, an eight inch cake. They'll start at 60, depends on your frosting and toppings and whatnot.

David Crabill: [00:29:17] Yeah. I mean, so you're basically for like your individualized, items, cookies, bagels, donuts, you're looking in that three, four plus dollar range per, per

Sari Stevenson: [00:29:29] per item. Yeah, I would say I would say \$4 to \$5 per item

David Crabill: [00:29:33] yeah, And you said that you are doing like the keto meals. I mean, then the thing about the baked goods is like they're impossible to produce. Right. And they obviously are typically super high carbs, so that's why they're very popular. But now you're doing meals, which seems like something that people would be a lot more easily able to make at home to just not include things that have grains in them or, or sugars. So have the meals been just as easy as sell or is that, how is that working?

Sari Stevenson: [00:30:05] Uh, Yes. And first of all, you're right. It's not difficult to cook keto meals at all because you really just are eliminating ingredients and there's no reason to replace them with anything else. I've just kind of put out a mass email to all of our websites, subscribers to see if they had any interest in it.

We actually started this pre COVID. and the response was a tremendous, I was absolutely shocked. So we probably had about at least a hundred people who were interested in it. And I just, I was overwhelmed. I didn't know how we would do it. So what I started doing while I was figuring it out, how logistically it was going to work, we, we added family meals to our menu.

So instead of cooking individual meals for people, they would, they could order a big tray of something. And we were selling those quite well on a week by week basis. And then COVID hit. So we just put the whole thing on the back burner and then throughout COVID we actually did very well. And we weren't affected by it as much as, or as great as a lot of other people because our food is health food, and people I think, realized how healthy that they needed to be.

and then towards the end of it, I started thinking about meal prep again. So we decided we were just going to run with it somewhat blindly, not really knowing what I was doing, but I limited it to 10 customers per week. And we stuck with them for, oh, maybe two or three weeks. Then we just started adding in a couple more each week. I still have a very long wait list.

I think we're up to about 18 clients a week. And each client gets a minimum of eight meals. They could order as many as they want, but we do require an eight meal minimum. Many of them order more than the eight or they're throwing in, you know, extras or add-ons, which, you know, could be more meals or, bakery items.

David Crabill: [00:32:13] I'm definitely sensing a trend where everything that you do, it's, it's automatically popular. And I'm thinking about like when you started the business, I think you said that you were an assistant, a chiropractor assistant. So were you overwhelmed when starting the business? Like how did you pick up the business side of, of this endeavor?.

Sari Stevenson: [00:32:35] I actually have absolutely no idea you know, I, I just took it and I ran with it. And it was a mess at first, you know, I honestly didn't know, you know, working full time and running the business. My husband was still working full-time my daughter would work with me two days a week cause she was only working part-time back then.

primarily we just focused on the baking and putting out the product and getting it into the customer's hands. And it really wasn't until I was able to quit my job, that I could really focus on the business side of it as well.

David Crabill: [00:33:16] And were you doing wholesale at that time?

Sari Stevenson: [00:33:19] No,

David Crabill: [00:33:20] So you were just doing like pop-up events

Sari Stevenson: [00:33:23] We were a cottage food A, so I was a little bit more limited in what we could do. We would occasionally do popups, popups are a lot, a lot of work, and they're also risky. Um, Some we would do very well at, others not so much. so it was just more like a marketing thing, but pop-ups were not really our thing.

David Crabill: [00:33:47] so you're just directly selling to people. You, wanted them,

Sari Stevenson: [00:33:52] Yes.

David Crabill: [00:33:53] are delivering these items or were they

Sari Stevenson: [00:33:55] No, no, no, no. They were picked up from our house.

David Crabill: [00:33:57] okay.

Sari Stevenson: [00:33:58] Yeah. Yeah. We would, there were times where it's a miracle that our neighbors never complained. I mean, there would be a line out my door. I remember our very first, 4th of July and my husband and I was still kind of laugh about this.

There were probably 20, 30 people lined up outside of our door, picking up their orders.

David Crabill: [00:34:17] Wow. I don't think I've heard of that before.

Sari Stevenson: [00:34:21] Yeah. It's yeah. It's interesting.

David Crabill: [00:34:25] And did you, did you offer delivery or, or try it at all?

Sari Stevenson: [00:34:29] No, and we still don't deliver. Everything's picked up.. If they want it, they have to come and get it. We do, we deliver to the coffee shops. We deliver to our wholesale accounts, but we, we do not deliver to our customers.

David Crabill: [00:34:42] I think that's just one of the benefits of having a product that is just extremely in demand.

Sari Stevenson: [00:34:48] exactly. You know, so most people, you can get your, you know, cutesy little cookies you know, anywhere, but if somebody calls me and wants, you know, a

keto baker I know very few. And like I said, the ones that I do know. You know, there's a gal, I don't know if you know Melanie from butter and nut, she's up by you. She's fabulous. But you know, she's eight hours away.

David Crabill: [00:35:14] well, so I wanted to know What if the cottage food law didn't exist when you started this? Obviously it made it a lot easier for you to start legally, but uh, do you think you would have started the business or um, how, no, not at all.

Sari Stevenson: [00:35:30] no, I'm a very, I, I do things by the book. I'm a very legal person. And that's a risk that I would not take. I might've looked into going commercial. Maybe. I don't really know. Of course. I never knew that the cottage food laws existed until I started researching. So I obviously didn't know what it took to get a commercial license.

David Crabill: [00:35:53] Well, you, you know, now what it takes to get into the commercial space how much harder is it to, you know, go straight into a commercial permit than a cottage food,

Sari Stevenson: [00:36:05] it was probably a hundred times easier to get my commercial license than my cottage food license. To be honest with you

David Crabill: [00:36:13] a hundred times easier to get your commercial one.

Sari Stevenson: [00:36:16] so much easier to get a commercial license at a cottage food license in orange county anyways.

David Crabill: [00:36:22] Can you expand on that?

Sari Stevenson: [00:36:24] I think it's just the required, you know, your labeling. When I got my cottage food license, I had to submit so much paperwork and every single label, every single ingredient what I was making you know, the, the verbiage that you have to put on your labels and what you can sell and what you can't sell.

It's a lot, a lot of restrictions with a cottage food license,

David Crabill: [00:36:49] And that's one of the kind of annoying things about some counties in California is that they require you to submit every label. Something I'd like to see changed someday, but uh, cause that's not true for most states and even a lot of counties in California don't require that.

Sari Stevenson: [00:37:04] right. Orange County does require every single label. But for the, for the commercial license, all I had to do is find my kitchen. I had to take my food safety manager's course. I had to get my inspection because you know, we are inspected by the health department. but just for baking commercially, that's all that they require. You don't have to produce any labels.

You don't have to produce any menus. They don't care what you're making. As long as you're doing it in your commercial kitchen, you know, with the PFR, it's a little bit different, but um,

David Crabill: [00:37:42] They didn't require you to submit any uh, processing plans or anything like that.

Sari Stevenson: [00:37:49] The PFR does, but not your commercial license, no.

David Crabill: [00:37:52] Okay.

Sari Stevenson: [00:37:53] So for the commercial license, I'm not required to keep any you know, like lot numbers or, don't really need, need anything for your PFR or you do Now actually bakers are required to have a PFR. in the kitchen that I am in because they're very professionals, you know, they require that I have a PFR which I do, and I renew it every year.

David Crabill: [00:38:16] Now the PFR you've mentioned that a few times I know it's for the shipping what, what does that stand for?

Sari Stevenson: [00:38:23] It's processed food registration. So actually you need it for more than shipping. So like a baker has to have a PFR, but a cook or a chef does not. Which to me makes absolutely no sense because baked goods are such low risk for any kind of food contamination.

Anybody who jars or pickles has to have a PFR. Anybody who sells to wholesale or ships has to have a PFR. And the renewal alone is like \$600 a year. I have to keep a safety recall book. I have to keep track of, you know, all my lot numbers, who the product is going to, you know, I bought say, I, you know, say I bought my vanilla from Costco and I have to write down the lot number. And then as I go through that bottle, I've got to keep track of how many chocolate chip cookies did this vanilla go into?

And then who got those chocolate chip cookies. So if somebody along the line gets sick, they could trace it all the way back to the supplier original supplier.

David Crabill: [00:39:31] Yeah. And I'm just going to clarify that this PFR is only for California and it's not for cottage food businesses. It's just for commercial businesses.

Sari Stevenson: [00:39:40] Exactly,

David Crabill: [00:39:43] well, I wanted to ask you about your customers because you know, you do this cause it changed your life. What have you seen in terms of your customer's lives? Have they changed or has your business help them stay with a keto diet? Like what, what does it mean for you to run your business?

Sari Stevenson: [00:40:01] Absolutely that's well, my passion is to help people. So first and foremost, what I put into our products and the developing of our products is with the purpose to help people. So I will tell people all day long when they're coming in to buy our products, that they're a treat. It's not your nutrition.

And I will always encourage people to eat healthy whole foods. But if our products are going to help you along on your journey, because there are so many people out there that can not live without their, their sweets or their desserts. then my mission has been accomplished. Then I think that's what we're doing.

I have all of our, initial cottage, food customers. I would say 75 to 80% of them are still buying from us. We have customers that, you know, order every single week. I've made a lot of friends. I've made a lot of or I've met so many interesting people and, you know, people love to hear my story and I love to hear their stories and I will, you know, try to help them and educate them, you know, as much as I can and give them the product that's going to, you know, it's, it's a tool to help them to succeed.

David Crabill: [00:41:22] Can you think of any stories in the past few years that really stick out to you?

Sari Stevenson: [00:41:28] Well I think a couple of things, I mean, one is just seeing the success of some of our customers who have been with us for a couple of years, you know, and I've just watched them transform their lives. I have several who have, you know, ended up losing, a hundred, 150 pounds just by. You know, eating a strict keto diet, you know, being faithful to it.

And just sharing, you know, with me and, you know, telling me that I've been a part of their success. I mean, when I hear things like that, it's just nothing makes me happier. Um, Yeah, I would love to sell our product all day long, but that's just such a small part of it. I mean, even just like this morning, I'm kind of known around town. Of course, I have a big decal on the back of my vehicle, but you know, so many people know me. I went into trader Joe's today. Cause that's where I buy my peanut butter because they have the best peanut butter and they put nothing in it except for peanuts.

So I went into trader Joe's today to buy my peanut butter and I'm checking out and the cashier looked at me and she goes, are you by chance the keto lady? You know? So, you know, things like that, you know, then we just get into a conversation, I dunno, just affecting people's lives. and of course, you know, with my coaching side of the business.

just working right alongside of people and watching them, you know, transform their lives and get healthy and, you know, trusting me, you know, it's, I think part of the reason that we're so successful is because there's just a level of trust there.

We don't make any compromises. I never will make any compromises. We're very transparent and people want that. So I think, you know, too just earning the level of trust that I have with all of our customers, it's just, it's very rewarding.

David Crabill: [00:43:27] And with that coaching business. Is that something that came out of this food business or is that something that came before?

Sari Stevenson: [00:43:35] Now actually it came out of the food business. Um, Just a funny little story. we would have pickup order pickups at our house every Saturday And a lot of people were asking me, you know, advice you know, about my own, you know, keto journey and they're just starting and they're just learning.

So I had a customer over one day. She's a nurse. Well she came to pick up her order and she was there observing how people were asking me all these questions. So she had suggested that I, you know, went ahead and looked into getting certified as a health coach and I took

the course, it took me about eight months and that was it. I'm doing very little coaching these days only because the bakery has pretty much taken over my life, but I still do take on private clients. And just help them as, as much as I can. Of course it's not free anymore,

David Crabill: [00:44:31] Yeah. When you started doing this uh, you know, picked up the keto diet or even started back in 2018, could you even imagine where you'd end up today?

Sari Stevenson: [00:44:43] no, no, not in my wildest dreams. and I'm not young, but it keeps me young and it's fabulous. I just, right now, I can't imagine doing anything else. You know, most people, my age are retiring. But no, I can't imagine doing anything else and I never, ever would have imagined that it would have turned into this.

David Crabill: [00:45:09] Yeah. I mean, I can tell you're growing the business. I mean, four months ago, you said you got a dedicated space in the commercial kitchen that renting a few weeks ago, you added these meals. So where do you see this business going? Or where would you like it to go in the future?

Sari Stevenson: [00:45:25] Well, going back to your question about having our own kitchen, I don't think it's going to really take that next leap until we do have our own space or have more space just because we're, we're so limited right now.

David Crabill: [00:45:40] So, if you did have your own space, what's the next step?

Sari Stevenson: [00:45:44] I think if I had my own space, I would like to have a bakery with a small bakery, with a big kitchen and just have like a little cafe. Kind of area, I would want a big kitchen just because I really enjoy the wholesale and putting the product in all of the different places and making it easily accessible to the customers.

But at the same time, it's like something little and quaint. Also. I don't really know. I don't know. none of this has been planned. It just all kind of falls into place. So I think I'm just kind of waiting to see what's next.

And eventually I would like to hand everything over, you know, I want to, you know, start stepping away.

My son works for me full time, and I would, you know, eventually like for him to completely take it over. So I could just be more in the um, you know, marketing side of things and the people side of things, not so much the kitchen side of things,

David Crabill: [00:46:47] Or actually having time to coach people.

Sari Stevenson: [00:46:49] or having time to coach people. Exactly, exactly. Is a slow process, but we'll get there.

David Crabill: [00:46:57] Well, it's pretty amazing to see how much has happened over just a few years. And I can tell it seems like things are just getting busier and growing more and more. So um, Thanks so much for jumping on. If people want to find your products or reach out to you where can they find you?

Sari Stevenson: [00:47:15] They can find me. My bakery website is theketobakerybox.com. Also on Facebook, facebook.com/ketobakeryOC. On Instagram, [@theketobakerybox](https://instagram.com/theketobakerybox). And then for my coaching side of the business, it's naturallylivingketo.com.

David Crabill: [00:47:38] Great. Well, I'll throw the links to all those in the show notes. And again, thank you so much for coming on and sharing with us today.

Sari Stevenson: [00:47:46] Oh, absolutely. My pleasure. Thank you.

David Crabill: [00:47:52] That wraps up another episode of the Forrager podcast. Wow. Sari clearly put a lot of time into solving a very hard problem as she developed her keto friendly baked goods. And that has paid off in a major way. I really like how she started small and followed her successes as her business organically grew through word of mouth. Clearly she is very passionate about sharing her story and helping others as well.

For more information about this episode, go to forrager.com/podcast/39

And if you enjoyed this episode, please head over to apple podcasts and leave me a review. A review is the best way to support the show and will help others find it as well.

And finally, if you're thinking about starting your own home bakery, Check out my free mini course, where I walk you through the steps you need to take to get a cottage food business off the ground. To get the course, go to cottagefoodcourse.com.

Thanks for listening. And I'll see you in the next episode.