

**David Crabill:** Welcome to the Forrager Podcast, where I talk with cottage food entrepreneurs about their strategies for running a food business from home. I'm David Crabill and today I'm talking with Valerie Allensworth.

[00:00:11] But first, ConvertKit recently made a pretty big announcement that is great news for cottage food entrepreneurs.

[00:00:19] If you've listened to the show for a while, you know that I am a big fan of using ConvertKit to build an email marketing list. ConvertKit has always had a great free tier for their platform, but now it is even better. Now you can use ConvertKit for free for up to 10,000 email subscribers. Plus, they will allow you to use one automation sequence for free as well.

[00:00:43] Now if that doesn't mean much to you right now, trust me when I say that it is by far the best free email marketing option that I have ever seen. So if you still haven't hopped on the email marketing bandwagon, now is a great time to do so. To get started and learn more, you can watch my free email marketing tutorial at [forrager.com/email](http://forrager.com/email).

[00:01:05] All right, so I have Valerie on the show today. She lives in Sitka, Alaska and sells donuts and other baked goods with her cottage food business, The Donut Lady.

[00:01:16] Valerie used to work at her mom's commercial food business, but when she had her son a few years ago, she decided to become a stay at home mom.

[00:01:25] However, after a few months, she started feeling the itch to bake more, so she started a cottage food bakery, which got her back in the baking game, but still allowed her to stay at home with her son.

[00:01:36] As you'll see, Valerie's entry point into the cottage food world was quite different from most entrepreneurs, and living on an island in Alaska has presented its own set of distinct challenges, which makes for a fascinating and unique cottage food success story.

[00:01:52] And with that, let's jump right into this episode.

[00:01:57] Welcome to the show, Valerie. Nice to have you here.

[00:02:02] **Valerie Allensworth:** Thank you for having me.

[00:02:04] **David Crabill:** Well, Valerie, can you share a little bit about how you got started with your cottage food bakery?

[00:02:11] **Valerie Allensworth:** So, Back in 2018, I was working with my mom. We ran a commercial bakery drive thru here in my town. We're just one of Three drive thrus, so it was a very successful business. And then I found out I was pregnant and I realized I couldn't continue doing the 3. 45 AM baking days. So I decided to be a stay at home mom.

[00:02:41] And then after about a year and a half of being at home, I realized that I still wanted to keep baking. We had moved our commercial mixer and our supplies to a studio that my parents own. we just kept everything from the commercial bakery. And I started taking small orders for baked donuts.

[00:03:03] That's my main specialty. And it just went from there.

[00:03:07] **David Crabill:** Yeah, so this is a pretty unique entry into the cottage food world. So, You said you were working in 2018 with your mom at this commercial bakery. Is that when you guys opened it, or was that just when you joined it?

[00:03:22] **Valerie Allensworth:** No, I actually started baking in 2015 full time because that was when I graduated high school and my mom opened the shop up. So she had been, b aking previously. She's also tried out a few different avenues of the best way to sell things and that opportunity came up for us to start the drive-through.

[00:03:44] We started the drive thru bakery in 2015, and then we continued that until 2021. Mm

[00:03:54] **David Crabill:** All right, so you worked at Your mom's commercial bakery for, six years What do you feel like you learned with that food business that you carried forward into your cottage food one?

[00:04:06] **Valerie Allensworth:** Uh, It was a fantastic experience on all ends dealing with large amounts of customers all at once baking large quantities, having set deadlines, ordering food, all of the things. I think one of the best things I learned from Baking professionally is time management because it can be so hard to figure out what you need to do in what order.

[00:04:33] And being able to know how to prep things, especially ahead of time, like what can I get done this week for the market that I have this weekend is extremely helpful.

[00:04:43] **David Crabill:** are there any techniques that you use? To help manage your time, like specific things that you do on a week to week basis that makes everything easier.

[00:04:54] **Valerie Allensworth:** So one of the things that I've been trying really hard to do is to utilize my freezer. Because I do baked doughnuts, I don't do yeasted doughnuts, so that means that I have a batter that I can put into the freezer, which is good for up to a couple months at a time. So anytime that I take a special order, like just a few dozen during the week, I will make my full batch in my large stand mixer and then just put the rest in the freezer.

[00:05:24] and so when it comes to a market day like I have coming up this weekend I'm able to just take batters out of the freezer and save myself like a full day of prep work.

[00:05:34] **David Crabill:** Now, working at the commercial bake, was it a commercial bakery or was it just like a commercial food business?

[00:05:44] **Valerie Allensworth:** So it was a commercial business. We weren't supplying anybody else. It was just what we put out through the window. My dad is a contractor. Here in town. And so this building came up for sale. That was, it was previously a carwash and then it was a fish processing plant, and then it was a coffee stand.

[00:06:08] So it was a very strange little building. He took it down to the bare bones and. We transformed it into just a baking space, and it is now being leased out as a coffee shop, so the drive thru is still operating but when we had it, we had two ovens in there, two commercial ovens, one regular small oven, and then we had a drip coffee maker, and we also had An instant mocha machine.

[00:06:35] We never did espresso or anything like that when I was running the front. And then in the last two years of us being open, we brought in a coffee stand. They just ran the front of the business, essentially, and they sold our items. For us, and they did espresso and fancier coffees, which was an interesting experience sharing the building with another business it had its difficulties, but it was also very interesting to learn how to work alongside other people.

[00:07:06] **David Crabill:** Well, It's pretty unique. You know, a lot of my podcast guests have worked in a bakery or a commercial food business before, but it sounds like, even though this wasn't technically your own business. It sounds like it also kinda was, like you were intimately involved in how it got started and set up, right?

[00:07:25] **Valerie Allensworth:** Yes. My mom was full owner, full manager, all that. But she also had me doing I wouldn't say equal share of the work, but pretty close to it. I was the one who did all the in town shopping. I was the one who dealt with the customers through the window. She and I both shared the baking loads, it was.

[00:07:46] Really helpful to see how she ran the business, and obviously I've seen how she ran it throughout other times. she used to do cottage food as well, and then my dad built a commercial kitchen for her in our home. Back when I was still in high school, which she used for a while, and she would take her items and go sell them elsewhere, which is kind of what I've been doing. So I just learned from her experiences, I should say.

[00:08:10] **David Crabill:** Yeah, I mean, it sounds like she's done a lot of food things over the years. So do you feel like this was just ingrained in you, like in your blood?

[00:08:19] **Valerie Allensworth:** Yes. I actually have a lot of history in my family of the women baking think it was my great grandma. because she's the namesake of my mom's business, which was Grandma Tilly's Bakery, so great great grandma Tilly, was a bread baker in the logging camps here in Southeast Alaska back in the day.

[00:08:40] **David Crabill:** So you said that that commercial business is no longer running or it moved into this studio that you use now,

[00:08:50] Was you leaving that business correlated to that business changing?

[00:08:55] **Valerie Allensworth:** Yes so, uh, My sister moved up here late 2020 as I got more pregnant and she helped, but she never planned to stay permanently. So she just came to help us finish out the year, essentially, which was so wonderful and so helpful.

[00:09:14] **David Crabill:** So clearly you were a very integral part of that commercial bakery because it sounds like. You having your son and no longer

being able to participate in it was what caused the decision for your mom to, shut it down. Well, Is it shut down or is it just operating differently now?

[00:09:32] **Valerie Allensworth:** So she still has the business active, Grandma Tilly's Bakery, you can still do some small custom orders with her here and there, but she has definitely moved more towards the retired side of things. She'll just take an order that she wants to here and there, but it is definitely not a commercial business anymore.

[00:09:50] **David Crabill:** you said that she had purchased a studio to kind of continue Grandma Tilly's bakery. But using the cottage food law, which is interesting, and that you use that studio now is that what you used when you started the cottage food business?

[00:10:08] **Valerie Allensworth:** Yes, so it's always been out of that kitchen and it's essentially just a small home kitchen. It just holds all of my ingredients, all of my equipment it's my storage space and my kitchen space.

[00:10:23] **David Crabill:** yeah, so pretty unique situation where It's kind of like a commercial kitchen, but it's still a home kitchen, and you're operating under the cottage food laws. Now, let's say that your mom had continued to run the commercial bakery. Do you think you would have just used the commercial kitchen in that bakery, or would you have used the cottage food laws with your own home kitchen.

[00:10:47] **Valerie Allensworth:** I probably would have used the commercial kitchen simply because it's so much easier to bake that way. It really is. Very hard to bake at home if you don't have the correct space and storage. And we have a little dog, so I would be concerned about having hair in the food and having my toddler get into the supplies or get into the equipment and all that.

[00:11:11] So if I had my choice, I would always go for using a commercial bakery or using a commercial space, I should say. keeping it separate makes it So much easier to work, even if it is just like a separate room or anything like that.

[00:11:26] **David Crabill:** So if, they had shut down the bakery and not transitioned to this apartment, do you think you would have still started the business from your home?

[00:11:36] **Valerie Allensworth:** Probably just like to get the feel of it because this is the first time I've ever done it on my own. Once I had done it for like a

year or so, I probably would have gone to the commercial space. Because I have the customer base for it here in town.

[00:11:52] We are a very small population, very small set amount of businesses here. I'm the only one who does baked donuts here in town, so I can be as busy as I want to essentially. Which can be difficult when it comes to things like getting burnt out because you take too much stuff. Especially right now, we're in the tourist season, so we have between three and five thousand people coming in on cruise ship days, so if you have a table downtown or a cart or anything like that, you can sell as much as you want to.

[00:12:25] I've poked my head into that a little bit, but I really I'm just focusing on selling to the locals right now, just because it's what I can manage.

[00:12:34] **David Crabill:** And how old is your son right now?

[00:12:38] **Valerie Allensworth:** he turned three in January,

[00:12:41] **David Crabill:** So you're still in the thick of it with the parenting thing.

[00:12:45] **Valerie Allensworth:** yeah, that's a big part of why I keep my business small, just because I can't do a full time baking business and also be a stay at home mom. My husband is a commercial fisherman, so he is heading into his very busy seining season, so he'll be gone pretty frequently.

[00:13:05] And his schedule is such that I can't plan things with him. So when he's in town, obviously he'd love to take our son, but we don't know when that is.

[00:13:14] **David Crabill:** Now, did you say that when you left the commercial bakery, you had not had any plans to start your own bakery, right? You just planned on being a stay at home mom? That's correct.

[00:13:26] How long did it take before you started to feel the itch to get back into the baking world?

[00:13:33] **Valerie Allensworth:** I think it was probably eight months, maybe up to a year. I started baking more at home and realized that I really enjoyed it. And also part of what got me into it is my mom was getting orders of people wanting the items we had made, wanting the donuts that I had made, because I've always been the donut baker.

[00:13:56] That's actually where my business name. came from. I was out in the boat. Like we went to a local hot springs, which is like 45 minutes away from town. And we were just out having a fun weekend. And I saw this family coming up and their young boy looked at me. He goes, "Mommy, it's the donut lady."

[00:14:14] Because they would frequently come through the drive through and get our donuts. It's like, if a young child can recognize me as the donut lady, I think I need to lean into that. So I was doing a couple orders here and there just for fun. Like people I knew I would do small dozens. And it's like, I actually miss making this, and I think I'd like to try and do it myself and see if I can do it differently than how my mom and I did it.

[00:14:41] I'm actually charging a significantly larger amount of money for the doughnuts now than we were at the bakery. We used to focus on things like meat and cheese pinwheels and cinnamon rolls and egg salad sandwiches and charge more for those, and the doughnuts were kind of like, We'll sell a few, and they'll be cheap, and it'll be great, but now I'm doing better ingredients, and I'm doing more intricate flavors I do decorated doughnuts for holidays, I do decorated doughnuts for special occasions and special orders so, it's been great. It's been fun to change it and make it mine.

[00:15:17] **David Crabill:** Since the donuts were not a focus. at the bakery. Why did you feel like that was where you should lean in with your cottage food bakery?

[00:15:30] **Valerie Allensworth:** It's the thing that I like to make. It was as simple as that. I really don't like dealing with bread I cannot stand doing cakes, they make me very nervous. I don't like cookies very much, I do some decorated cookies, like I do simple They look like Homer Simpson donut cookies with royal icing but to me, donuts are a lot more fun and there's a lot less expectation of them to be perfect.

[00:15:58] can just make them look fun and people are happy with that. I'm also starting to do more of the not gourmet dessert, but I'm doing bars and cookies and dessert platters and things that people can bring to functions kind of thing. And adding in mini donuts or donuts with buttercream, things like that.

[00:16:18] **David Crabill:** So this is a pretty unique entry point into the cottage food world because sounds like you had all the equipment that you needed and you even had the customers that you needed. You already had a following to

leverage. What do you feel like Were the challenges when you started the cottage food business?

[00:16:39] **Valerie Allensworth:** One of the biggest things is when you have a commercial business, if it's a successful business, you really run on consistency. People know where to find you, when to find you, what you're going to have. And that was something that we really leaned into with the drive thru bakery and then starting up small, it was hard to get people to understand that I'm not gonna Just bake a bunch of stuff and have it waiting for you.

[00:17:06] I need you to place an order. Especially in the beginning when I wasn't sure how I was gonna do it But the way I kind of function right now if I'm not doing a market is I wait for somebody to place an order then I make extras and I will sell those off on social media Instagram is one of my biggest assets when it comes to marketing and selling extras and all those types of things.

[00:17:32] I just post it into my stories and say text me to claim it. And I'll have people come to my house or I'll deliver for 5. So it's been very interesting trying to figure out how to make my customers understand that I am available to make things. You just have to ask me.

[00:17:49] **David Crabill:** when you decided to start the business, how did you start it? What was your first step in selling your products?

[00:17:57] **Valerie Allensworth:** I originally had the idea to do donut days like once a week. I think I started out doing them on Thursdays. And when you look back, even just that little change, I did it the hardest way possible, of course. I was doing 10 orders a day, I think, because that was the most I could do. I had my son with me and I was also delivering those orders, which is not something I ever thought about of how long it takes to do deliveries.

[00:18:27] So just those 10 orders would take me like an hour and a half because it was, of course, from one end of town to the other. But when I first started, I had people signing up every week to get orders. And it just, it was such a difficult way of doing it. But I'm glad I started out that way because now I know that it doesn't work very well.

[00:18:48] Once in a while, I will do a I think I did for Valentine's Day last year I did a delivery special. So if you place an order with me, I will be delivering it today, and the delivery time will be between 2pm and 4pm, I think is what I



said. And I made everything the day before, and then finished everything up that morning.

[00:19:08] My donuts hold over really well for the next day, that's how I do my market days. And so, I was able to make that work pretty well, and people had things delivered, to their home for their spouse, or to work for their spouse, that kind of thing. was it your son that made the deliveries difficult? Like, do you feel like that would have been a sustainable Business model if you didn't have your son at home.

[00:19:32] yeah, it was partially him that made it difficult, especially with things like naptime, and also just him being done in the car seat, or done at the bakery. I think doing deliveries would be an okay model if I wasn't also doing everything else.

[00:19:50] Like, If I wasn't doing the shopping, the prep, the dishes, the packaging, all those things, on top of that, getting in the car and trying to track people down. Cause, for the most part, I'd say like 60 percent of customers are gonna be where they said they're at. They're going to be there at the time, they said, and it goes smoothly.

[00:20:10] And then you run into the couple hiccups of somebody was running behind, or they forgot, or they still need to pay, and the couple people I ran into was so frustrating, it just completely turned me off from wanting to do that.

[00:20:25] **David Crabill:** Just looking back at your very first social media post when you opened the business, you said that the kitchen didn't allow for pickups, so that's why you were doing deliveries, but then you eventually stopped doing deliveries, what was the change there?

[00:20:43] **Valerie Allensworth:** The studio is at my parents home and my mom didn't want people coming to her house and all that kind of thing, which I completely understand. And so what I do is I, I'm still doing this now. I'll bake at the kitchen and then I'll just bring the boxes home with me and have people pick up from my house, which is much more convenient of like, I can be home to make dinner.

[00:21:05] I can be home for nap time, all that kinds of stuff. So I typically have people picking up. at my house.

[00:21:12] **David Crabill:** You have not had any issues finding customers or selling your products at all, correct?

[00:21:20] **Valerie Allensworth:** there has been a couple times where I had a significant amount of leftovers. When I first started, my very first market day, I was still getting leftovers. People to understand the new business name and what I was doing. And I had leftovers from that day. And then I went to a market recently that was a different location.

[00:21:44] Didn't have very good parking. It was different from my normal selling procedure. And I had a lot leftover from that. And I don't think it helps that it was also a busy weekend in town. Like there was lots of other bake sales. There was lots of other events happening. But other than that, I have had really great success with selling everything, every time.

[00:22:06] And After being in the commercial bakery, I definitely lean towards the idea of, I would rather sell out and have some disappointed people than have enough for every customer who comes by. My mom and I have talked about it a couple times because we had customers at the bakery come by 10 minutes before closing and they're like, Oh, there's nothing left for us.

[00:22:28] It's like, I'm very sorry, but I'm not going to be keeping product for you on the off chance that you might come by. But When you're a home baker, I see this a lot on the Facebook forums for cottage food bakers. They just don't know how to deal with customer's disappointment of like, I was really hoping you'd have some of this left.

[00:22:47] And so next market you make a ton more because that person said they were going to come by. So I definitely, at the last couple holiday markets I did, I made as much as I possibly could and I still sold out. But on these in between markets where I know I'm not going to have a humongous customer base, I will draw my amounts back a little bit.

[00:23:08] I'll do something with a new flavor or, a more intricate dessert kind of thing. I'll do something special but I definitely don't make as much.

[00:23:18] **David Crabill:** but you could always lean into the tourism side of Sitka, So, You have quite a lot more potential for your business. and it sounds like it's just the time that you have available that's kind of holding your business back.

[00:23:34] **Valerie Allensworth:** Yes. It's been very interesting watching the food truck and food cart population grow in Sitka. I think just this year we had easily Six or seven businesses start up, two of which are donut businesses, but

they only do fried donuts. And it's been very interesting watching people try to figure out what is the best place to be.

[00:23:58] When is the best time to be open? What's really interesting about this town, our normal population is 000 locals. So when we get these cruise ship days in. of 5, 000 or more people. I think the most we've had is 8, 500. They shut down the main downtown road, and local businesses will set up food booths so tourists can walk from one end of the main road to the other without any cars.

[00:24:27] on days like that, locals don't go downtown, so you are betting on tourists wanting your product, which is sometimes you're going to sell every scrap of everything, or they're just not going to want it. It depends on the time of year, what kind of cruise ships are coming in. The cruise ships later in the season are very cheap.

[00:24:48] They're known to not buy much in town. And also when the weather is terrible, people really don't buy as much because we have a very rainy climate here. So it's very interesting. The tourists can be a huge selling point, but at the same time, the locals are way more consistent.

[00:25:08] And I really like having a customer base that continuously comes back selling to the tourists who you're never going to see again. it's just inconsistent. It's hard to rely on.

[00:25:18] **David Crabill:** And I'd imagine that you know, you have a connection with your customer base and there's value to that as well.

[00:25:24] **Valerie Allensworth:** Very much so. I have known a lot of these people going on a decade now, they have supported my mom and I through our business changes this entire time. They're always happy to try out the new form of business that I'm doing. They just come along for the ride. It's really wonderful.

[00:25:46] This small community has supported both. of our businesses in a massive way. And I think that's part of why I've been so successful with what I'm doing is people know who I am, they know what I'm selling, and they're just happy to support a local small business.

[00:26:02] **David Crabill:** Have you tried to sell to the tourists at all yet

[00:26:08] **Valerie Allensworth:** so I did a pop up in front of a business. I did a table in the morning. I think this was the first time I tried doing a babysitter with my son. My husband didn't even make it out of the house. I had already left for the day and my son was just having none of the babysitter. So I was trying to set up the table and start selling and I was getting phone calls from my husband and my son was crying and it was just a whole thing.

[00:26:36] I'm pretty sure that was like last year, summertime, and it's like, this is way too difficult. This is not what I'm ready for yet. This isn't going to work. I have done a couple of markets that were purely for the tourists. They were on really high cruise ship days. We have a wonderful organization in town called Made in Sitka Markets.

[00:26:57] So they focus on small businesses that have like handmade items or handmade jewelry, candles. All kinds of stuff like that, and they have a couple food tables as well, so I participated in that on a high cruise ship day, and it went decently well. Something that I encountered, especially in the morning, with cruise ship tourists is they are not hungry.

[00:27:20] They're coming off of the cruise ship and they're just, you know, overloaded with all the food from the ship and they're just not interested in buying things, especially because my products are not really to take for later kind of thing. If you buy a single donut from me, it's going to go in a wax paper bag, which people don't really want to carry around or put in their purse or something like that.

[00:27:42] So that was a interesting experience.

[00:27:44] **David Crabill:** you say that if you eventually do the tourist thing, you might need to change up your packaging or something to cater to them.

[00:27:53] **Valerie Allensworth:** I don't know that I would, to be honest with you. I would probably keep it the way it is. I would just do smaller amounts, make it a little bit easier on myself of like, I'm just going to do a small amount. I'm going to focus on selling in the morning. And then, in my mind, I would be able to prep for if not the next day, then maybe the day after that like, go clean up the kitchen, do shopping, do whatever I need to do, bake the next day, and then sell the next day.

[00:28:21] I like the idea of still keeping it small to me that would mean like, maybe 15 dozen donuts. Sell that in the morning and be done.

[00:28:29] **David Crabill:** So, How often are you selling donuts?

[00:28:34] **Valerie Allensworth:** So at this particular moment in time, I have been taking a break. We were out of town for a while. We've had kind of a spring cold in the house, and I haven't signed up for markets. My mom has been out of the state for a while taking care of some things, and she's my main form of child care. So without her, I have been hesitant to sign up for anything.

[00:28:59] I've been starting my son in daycare three days a week and it's going okay, but I'm not quite ready to rely on it yet. So it's been an interesting transition period. I'm also working on a commercial space. hoping to have it ready next year, but I'm trying to figure out the best way to allocate funds for that.

[00:29:24] While also still purchasing things for the current business.

[00:29:28] **David Crabill:** You know we'll get into the commercial space a little bit later. so did you ramp up your business a lot more last year?

[00:29:38] **Valerie Allensworth:** Yes I would say 2023 was my busiest year. I really hit the markets. Part of the cottage food law in Alaska is that you have to stay under 25, 000 for your income. And I was brushing that ceiling. Part of me being okay with taking a break this past month has been, I can't make too much money this year, otherwise I won't qualify for the cottage food.

[00:30:04] **David Crabill:** Is that Sales limitation. What's pushed you towards looking into a commercial kitchen?

[00:30:12] **Valerie Allensworth:** Partially that, and also, I really miss having my big oven. I have been operating out of a small kitchen, normal oven, this entire time, and it definitely hinders what I can produce, and it makes my days so much longer. I want the big oven again. And also I've been Trying to decide if I'd like to lean into maybe wholesale So if I have the commercial space I can do some wholesale.

[00:30:41] I can do some Normal sales, maybe a mix of both kind of thing.

[00:30:45] **David Crabill:** Now, it's kind of fortuitous. Are you aware that Alaska just recently passed a bill that'll improve their law?

[00:30:53] **Valerie Allensworth:** I have seen something about that, but I haven't looked into it.

[00:30:57] **David Crabill:** so, I believe that just in maybe a month or two, that sales limit will be removed. And there'll be quite a few changes where you'll be able to sell a lot more types of items with your business.

[00:31:11] **Valerie Allensworth:** Oh, fantastic.

[00:31:12] **David Crabill:** I mean there's still benefits to having a commercial kitchen, but it'll definitely hopefully help foster the cottage food community in your state. So that's very recent news. So we've talked a little bit about what you make and you said that you just focus on baked doughnuts. Why do you just focus on baked doughnuts? That one kind of donut.

[00:31:35] **Valerie Allensworth:** the whole reason we started with the baked donuts, it was my mom who started doing them, is people absolutely love donuts consistently. Things like cake pops and cupcakes kind of fluctuate. People always love donuts. So she wanted to lean into that and she didn't want to use hot oil.

[00:31:55] She didn't want to go the deep frying route. And so she found a recipe on King Arthur flour for baked donuts and started from there. And people really, really love them. Not as heavy as a fried doughnut. They are so much more versatile. You can change the batter in any way you want. You can change the glaze in any way.

[00:32:17] You can add things into it on top of it. The flavors are just, you can do whatever you want. And for a commercial space, I think we looked into getting the think it's called a hood for doing hot oil. And it was like 30, For us to install that. It's like, that's not something we're even interested in looking at.

[00:32:37] And so we just continued with the baked donuts and people love them. They're simple to make. For a regular home oven, you put the batter into, I use the Wilton baking trays you put it in for 15 minutes, and you're done. That's it.

[00:32:51] **David Crabill:** Yeah, the vent hood and the grease trap in a commercial kitchen is like unbelievably expensive and I could definitely understand why that would prevent you from going that route. but

[00:33:04] It's not something that you actually have to think about in the cottage food world, right? I mean, you could theoretically do fried donuts and not have to deal with the vent hood.

[00:33:13] **Valerie Allensworth:** I could, but I, I really don't want to. I've, never Even at home, I don't do things with hot oil very often. It's very intimidating to me. So I much prefer the baking route. And part of my selling point is it's a little bit healthier. There's no fat, deep fat. And I am able to put a lot of fruit into things and I'm able to do less sugar, that kind of stuff.

[00:33:38] I've also been leaning into gluten free recently. I think it's Bob's Red Mill brand that I finally landed on. They have a one to one baking flour that works. Absolutely fantastic for the baked donuts. I actually prefer a couple of the flavors with the gluten free flour because it, doesn't have to be that glutinous, chewy, fried donut.

[00:33:59] It's more of like a cakey texture for all of my donuts anyway. So I've had some very happy customers who aren't able to get things normally. They can get gluten free donuts and gluten free products from me.

[00:34:12] **David Crabill:** Did you look into gluten free because customers were asking for it?

[00:34:18] **Valerie Allensworth:** Yes, that is something we've had consistently in all the years I've been baking. There's been a large customer base for gluten free. I've had people ask about sugar free and I've had people ask about vegan, but unless the recipe is already vegan, like I have a couple cookies that are vegan I'm not really going to lean into that because things can get so expensive.

[00:34:43] I don't want to charge that much for a product. With the gluten free flour that I've found, It's just a straight change. I don't have to do anything else to it. So I just charge, I think, a dollar fifty more per donut. Actually I think it's fifty cents more. It's not a huge jump.

[00:35:00] **David Crabill:** Well, you said that the donuts are a lot more flexible because they're baked donuts. You can do a lot of things with them. So what have you tried out with your donuts? Like flavor wise, topping wise?

[00:35:15] **Valerie Allensworth:** It's a very, very long list. But the most popular ones that I sell are blueberry lemon. So it's a vanilla base with blueberries in the donut. we used to put them in the food processor and then just mix the blueberries into the batter. But since starting the small business, I actually place blueberries into the donut by hand.

[00:35:38] So each bite you get one or two blueberries. And it makes such a difference when you're eating it and it makes the donut a lot more consistent.

When you add processed blueberries to a batter, it can make it a lot heavier, I found, so you'll get an inconsistent size.

[00:35:53] But I put blueberries in the vanilla base and then I dip it in a lemon glaze and sometimes I'll add poppy seeds into it or on top of it and people really like that as well. But that's like the number one donut and has been for a long time. I also do a chocolate peanut butter donut, so it's a chocolate base with a peanut butter glaze.

[00:36:15] cinnamon sugar is also one of the most popular. For holidays, I will typically lean into whatever season it is. So like for Christmas, I'll bring out red velvet crumb cake, snickerdoodle, gingerbread. One of my main ways of finding and creating recipes is I will go and look at quick breads. One I did for, Valentine's Day this year and Mother's Day was a pistachio donut with raspberry buttercream on top.

[00:36:47] And that was a massive hit, and I found that by looking at quick bread recipes and then kind of altering it to work for my pans.

[00:36:55] **David Crabill:** Now I can also see from your social feeds that you've customized your donuts quite a bit sometimes, you know, have kind of themes around your donuts. I don't know if I've seen kind of custom decorated donuts. Can you share a little bit about what you've done there?

[00:37:12] **Valerie Allensworth:** It's just me having fun with it. Like I said before, I'm really not into decorating cakes or cookies, so this is my outlet for being a little more creative with it. I like to snazz up the donuts, especially for like Halloween, Christmas Valentine's Day, all those holidays where you're, going to sell a ton of stuff anyway.

[00:37:35] It's just so much fun to add in the decorations and when people pick up the box, especially like a, Variety. And they're like, these are so cute. It's like, thank you. I put a lot of time into it.

[00:37:48] **David Crabill:** When you do those custom decorations, you also charge more for them.

[00:37:53] **Valerie Allensworth:** Depends on the selling format. If I'm doing a market, I will typically add 50 cents to donuts, especially if they have buttercream on them. When I am doing pre orders I think I did this for Mother's Day, I will do a box price. So instead of doing, it, 18 for a box of six, I believe I



will mark it up to 22 or something and specify that these are going to be more decorated.

[00:38:21] Like, I did fondant panels that said Happy Mom Day. I did buttercream. I did pistachio crumbles, that kind of stuff. I also have been looking to do more flavor combinations of like, cupcake flavors is something I look at, gourmet cookies is something I look at, and I will take those flavor combos that are really popular right now and try and translate it into donuts.

[00:38:44] The next one I was thinking of trying is a monster cookie, which is I think oatmeal, peanut butter, pretzel, M& Ms, chocolate chips, that kind of thing. So take all those elements and figure out what is the best way to put that into the donut.

[00:39:00] **David Crabill:** Now, have you experimented with, expanding your menu beyond donut themed items? the way I do it is if I have people asking for an item a lot, I will do that. Cupcakes is one of those things where. I wasn't sure if they would sell or not, because we do have a few people in town who do cupcakes but I had people asking, so I've started selling 6 packs and 2 packs and I've started including them on special menus.

[00:39:30] **Valerie Allensworth:** I also enjoy finding items that I can make ahead of time, like fudge was one of those things. I had a case of evaporated milk, that I needed to use, and I was like, how can I utilize using this up before it expires, essentially?

[00:39:43] And I found a recipe for fudge, and so for the next three markets, I just did really decorated fudge, and people loved it. so it's, Partially what ingredients I have, especially if there's something on sale at the store of Oh, I should try making that item. I should try making that bar.

[00:40:02] I should try making that dessert. I don't do anything that has to stay refrigerated. So that kind of limits me. So I am very open to selling other things. I'm definitely not sticking to just donuts but it is my main, source of sales.

[00:40:16] **David Crabill:** So, can you take me through the trajectory of your business as it's evolved over time. I think you said you did pickups. And I know you've done like pop ups. How long did it take you to get into pop ups? And are there any other ways that you market your donuts?

[00:40:35] **Valerie Allensworth:** Doing pop ups and markets and pre orders are pretty much the only way I do it. I also add in selling the extras, like I said

earlier, but that is really a very small part. I'm always afraid of having stuff leftover. I don't like having leftovers, so I try and avoid that. But when I first started, I did the donut days. Which went decently. It was a good way to start that. And then I started doing markets like six months after that, I would say. and I did those pretty sparsely. Like, they're tiring. I have to move all of my product to the venue. I have to make everything the day before and then After all that, I still have to do all the dishes, which just for some reason, at the end of the day, that is the hardest part.

[00:41:26] So it's really just going from doing a couple orders in a day to. Making a large amount and then the next day selling it and not doing extra, not doing specialty stuff. It's like, that's all I'm doing today. I'm not doing anything else. What has been your biggest sales day?

[00:41:45] It was Christmas, not this year, but the year before, I want to say. I had my sister helping me, and it was a significant amount that we made. She helped me with baking, she helped me with selling, and she helped me with moving stuff and cleanup, just the whole process, and that was really wonderful to have her.

[00:42:07] So I treated her like an employee. I paid her. And we were able to make nearly double the amount of items that I normally do. And in town at Christmas time, since we're so limited in what we can get in town, anything you can make, people will buy. Yeah, that's kind of a unique thing about you living in Sitka. It's pretty remote and that, presents its own challenges for you in terms of sourcing things, how do you deal with that?

[00:42:39] I actually just did a post about this on my social media my husband, on his commercial fishing boat, they have to do a haul out every year to paint the bottom of the boat and so we got to accompany them on that trip this year, and Patreon. com. In addition to hauling the boat out, we went to another town, Juno, which is about a hundred miles from Sitka, I want to say.

[00:43:05] And we loaded the boat up with stuff for the various households of people who are on the boat. And then I also had a designated spot of, I loaded up for the bakery. So I bought, I think, 400 pounds of flour and sugar. I bought a ton of butter. I, Bought anything that I could either stick in the freezer or keep for the rest of the year.

[00:43:28] But butter here in town, I believe, is 6. 50 a pound right now. The five dozen eggs, I just watched them putting them up on the shelf. They are 21.

Last summer they reached 35. Locals are willing to pay for my products, but I have had some tourists be like, I have never paid that much for a donut before.

[00:43:51] prices here are really high. And then in really unfortunate part about living here on an island that is only accessible by plane or boat is the shipping is incredible. So if you want to buy something from the lower 48, you are going to pay a large amount in shipping.

[00:44:08] Some people go the route of buying a container and filling it up and like splitting that cost with other households. Some people go through like food services. We have another business called uh, Northern sales. They do commercial type stuff, but what's really hard is there is not like One designated source for me to buy everything.

[00:44:32] We don't have a Costco. we don't even have Friend Meijer Walmart or anything like that. Our McDonald's recently closed here because they weren't able to get enough supplies here, I think was the issue that they had. So it's, definitely really hard sometimes to buy what I need and get it here and still be able to charge what I charge.

[00:44:54] **David Crabill:** Well, It's obviously going to influence your pricing. What are your prices and how have they changed over time?

[00:45:01] **Valerie Allensworth:** when we were in the bakery, we were charging 1. 50 per donut, which looking back now, we weren't sure if people were even going to buy that. Now I am charging 4. 50 a donut. Part of the reason that I charge so much more is because of how much time it takes me if I had my commercial oven. I might back off the price a little bit, but I might actually keep it the same if I'm able to start doing that again because then I can do larger quantities, so we'll see.

[00:45:31] But The prices have increased in the last three years for sure just because of the state of the world. Um, A really interesting one, I want to say four or five years back, was vanilla prices. I think some vanilla crops around the world failed, if I remember right, and the small Costco bottle here in town was 42, so we had to find a source for our vanilla.

[00:45:59] And thankfully I've been able to just stick with that and we get the large jugs of Mexican vanilla, which is actually a much better deal. But it's that kind of thing where we'll find a source for something and they won't ship to Alaska. And I think that's probably one of the most frustrating things about being here.

[00:46:16] Like I can't utilize the Webster on store at all because their shipping is typically more than the product itself. the BR box shop is another one that I would love to use, but again, their shipping is So,

[00:46:33] **David Crabill:** What do the commercial food businesses do, or what did your mom do with the drive thru to get around this?

[00:46:41] **Valerie Allensworth:** When we were in the drive thru, we had food services. They have now changed to US foods and they have changed their minimums. I tried to get in with them with this business and I didn't qualify at all. Uh, I do have. Another company that I need to contact, I think they just started up recently here in town, that does not have minimums, so I need to go and talk to them.

[00:47:07] But my mom bought from food services, and we just did like once a month purchases because, obviously, we're a commercial business, but we still didn't have massive quantities that we were buying at a time, just because we didn't have the storage. so, Local businesses bring things up on the barge a lot of times. We have to wait, like our local store will get supplied by the container coming in on the barge, and so especially during this season with a lot of people coming in for fishing charters and just a lot of non year round residents, if you go in on a Tuesday, I think our barge day is Wednesday, if you go on a Tuesday, there might not be any milk.

[00:47:49] And so one of the things that I've changed in my business is I no longer use fresh buttermilk. My recipes call for buttermilk for the donuts, and I have now switched to powdered buttermilk so that I can always have it. the stores, are not reliable enough, so that was my way of fixing it. Judy's, and she has some really, they have some really wonderful deals.

[00:48:16] If you buy a case of 40 pounds, it's this much percent off. So whenever I find a business like that, I really try and stick with them. Especially if they have a good product and they consistently sell to Alaska, because sometimes those things change and that is, very frustrating.

[00:48:33] **David Crabill:** So I'm just curious, obviously in some cases you're getting ingredients for a better cost, like with, you know, bringing a ton of ingredients through this commercial fishing boat that your husband's on, But you still, I'm sure, have to deal with local pricing to get your ingredients sometimes. So at the end of the day, even though you're selling your donuts for 4.

[00:48:58] 50, how much of that is just the ingredient cost?

[00:49:01] **Valerie Allensworth:** The recipes I use, I recently did calculations based on the prices in town. This wasn't based on like the prices from Juno. It cost me like \$40 to make my large batch. So my profit margins are actually quite high. The biggest expense for me is my time. Cause it takes me so long in the small oven.

[00:49:28] My profit margins would be higher if I had the commercial oven, but then I would have the fees associated with being a commercial business, which is part of the reason I've been dragging my feet with getting my commercial space done is once it's up and ready, you are doing.

[00:49:44] fees for licensing, you're doing fees for insurance, you're doing fees for inspection, all that stuff. So The expenses that I am saving by becoming commercial and by having more time to do stuff, that's going directly into all the various fees associated with being a larger business.

[00:50:03] **David Crabill:** And it sounds like if you were a larger business and you were doing more sales that you would then qualify for U. S. foods, and so that could offset some of those costs. I think so, yes. again, it's a matter of storage though. The space that I am working on is It's not a food trailer. It's a modified container that's being turned into a commercial kitchen. There is not going to be any storage with that, so I'm going to have to figure out that situation. It may be that I'll have to rent a space just for storage, which would then be an additional price.

[00:50:43] **Valerie Allensworth:** So everything in This business and with my mom's business has just been flexible. It's like, we're gonna look at this, see if it works, and if it doesn't, we're moving on. So, it's a learning experience with every turn.

[00:50:56] **David Crabill:** It's so interesting because the challenges that you face are significant, but Sound often very different from the challenges that most cottage food bakers face. You know, most cottage food bakers face challenges just getting people to pay attention to them. but, that's not as hard where you are. So, As you're thinking about doing this commercial kitchen, you're obviously thinking about expanding your business. What is motivating you to grow it? What's the motivation there? Especially since I know you have your little boy at home.

[00:51:32] **Valerie Allensworth:** I think the biggest motivation is simply the fact that I have been consistently told by my customers that they want more product on a regular basis. They want to know, I think I said it at the beginning. They want the consistency that we had with the previous business. They like that.

[00:51:52] I do the markets. They like that I do the special holidays, but they really just want to be able to come see me on a Friday and get their donuts kind of thing. I also would like to. Get back to baking full time because I really do enjoy it. I like doing that a lot. I enjoy being a stay at home mom, but at the same time I like getting out of the house and seeing other people.

[00:52:16] And my son is gonna be old enough for preschool here soon, and I have a tentative idea in my head that I would like to get some kind of business structure started and possibly hire somebody on the off chance that we have another child in a couple of years, maybe I would be able to have a business up and running that I can manage and do stay at home mom again.

[00:52:41] I have a few different ideas rolling around and I'm just feeling out what fits best for myself, for my family, for my son, because all of this is pointless if I put him into a full time daycare, I wanted to stay home. But at the same time, I'd still like to be bringing in.

[00:53:00] extra income. So it's very much a balancing act.

[00:53:04] **David Crabill:** As you look ahead into the future, where would you ideally like the business to be? Say, three to five years down the road. I would love to have a nice balance between wholesale and selling the items myself, simply because I like interacting with the customers, and the tips are really hard to not include. People are very generous when you are making things from scratch. I have found that to be true across the board with tourists, with locals, with everybody.

[00:53:40] **Valerie Allensworth:** They're just so excited to find somebody making things. All themselves. and I would say that I would like to have my commercial space up and running. And I would love to have an employee, I think is my goal. I would like to have somebody either just doing dishes and prep work and I do the selling or the other way around.

[00:54:03] I don't ever want to do like, fancy coffee or anything like that. Having experienced both of those side by side, I don't think it's necessary.

There's, I want to say like, ten coffee shops here in town, so there's plenty of other places to go get your espresso and your flavored drinks kind of thing.

[00:54:21] I have been the same consistent baked donut maker in town for almost 10 years now. It's the same recipes, it's the same style. I haven't changed anything that drastically, so I don't ever want that to go away.

[00:54:37] There was one other person who started doing baked donuts here in town, but they moved, so it's still just me. So even if I don't lean into the large commercial business again, I would still like to just keep that brand going.

[00:54:52] **David Crabill:** Considering some of The challenges you've faced so far and the limitations of your time and trying to balance family life and this business, what do you feel like has kept you going to this point?

[00:55:07] **Valerie Allensworth:** Interacting with the customers. It's really My favorite part, when people come and pick up their orders seeing people at the markets. The last few local markets I did, I think the Christmas one and like a fall one, I sold out in three hours. I made as much as I possibly could, I had as much variety as I could, and I just, I can't make enough to keep up, and Seeing all my favorite customers come by and still having new people come by, even in this tiny town.

[00:55:42] And they're like, Oh, I remember you from Grandma Tilly's. it makes you feel very special and very loved. This town is a huge, huge support and it's definitely very unique to be here and experience that. I know a lot of people down south are just fighting for people to even see their table because there's so many other people selling the exact same thing, so. anytime you can come up with something unique here in this town, people are ecstatic because it's something they don't get on a regular basis.

[00:56:13] **David Crabill:** So as you think back on everything you've learned through your cottage food journey and also your experience with the commercial food business do you have any advice that you would give someone who is just starting out with their cottage food journey?

[00:56:30] **Valerie Allensworth:** One of the biggest things that I have learned in doing these various types of customer interactions, And I think I've said it like five times now, but consistency is the biggest thing. Find a recipe that works for you. one of the ways I do it is I will make something at home just for my family and see how they react.

[00:56:54] And then I will tweak it to make it my own. I will see how customers feel about it, and then I will tweak it again if need be, and then I won't mess with it anymore. One of the things that keeps people coming back is my products have tasted the exact same for the past almost decade. They're consistent, they're tasty, they know what to expect, they know I use good ingredients.

[00:57:18] And whenever I see posts about people not understanding why sales are going down, it's like, sometimes it's not you. If it's your product that you like and has always sold, it might be an outside factor of other bake sales, people's income. So if you have a good product, make sure that you are being consistent in your sales, you're being consistent in how people can reach you, all that kind of stuff.

[00:57:43] **David Crabill:** Well, it's certainly a very unique and fascinating cottage food story, and I see a ton of upside potential as you have more time, especially probably as your son gets into full time school. So it'll be very cool to see where your business heads into the future. Thank you so much for sharing your story with us.

[00:58:08] Now, if people would like to learn more about you, where could they find you or how could they reach out?

[00:58:13] **Valerie Allensworth:** The best way would be on my Instagram page. I have my contact information on there of texting me you can direct message me, and then you can also find me on my Facebook page, and both social media names are TheDonutLady.

[00:58:30] **David Crabill:** great, well, I will include links to those in the show notes, and thank you so much for coming on the show and sharing with us today.

[00:58:38] **Valerie Allensworth:** Absolutely, thank you so much for having me.

[00:58:42] **David Crabill:** that wraps up another episode of the Forrager podcast.

[00:58:48] For more information about this episode, go to [forrager.com/podcast/119](http://forrager.com/podcast/119)

[00:58:54] And if you're enjoying this podcast, please take a quick moment right now and leave me a review on Apple Podcasts. It doesn't have to be a



longer review, but it's truly the best way to support this show and will help others like you find this podcast.

[00:59:07] and Finally, if you're thinking about selling your own homemade food, 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](http://cottagefoodcourse.com).

[00:59:19] Thanks for listening, and I'll see you in the next episode.