THE FORRAGER PODCAST · EPISODE 179 · PART 1 OF 2

$1 Million of Bread From Their Garage, Until the City Forced Them Out

Jon Przybyl & Amanda Abou-Eid of Proof Bread (Mesa, AZ)

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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 Jon Przybyl and Amanda Abou-Eid, who have one of the most important cottage food stories ever. But before I begin, I wanna thank the sponsor of this episode, Cottage CMS.

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Their core promise is simple. They help you look established before you feel established. I'll have more on them later in this episode, along with a special offer for Forrager podcast listeners. Stick around.

All right, I am very excited to have Jon and Amanda on the show today. They live in Mesa, Arizona, and sell sourdough bread and pastries with their bakery, Proof Bread. Jon and Amanda's cottage food story is truly unlike any other, and I have been wanting to get them on the show for over six years. In fact, back then when I started this podcast, I was honestly too nervous to ask them and I thought they would say no. In hindsight, they probably would have said yes, but the benefit is now we get to see what they have done in the last six years too. And it is just a crazy story all around. Their first four years as a cottage food business were absolutely insane, and their last five years in brick and mortar have been even crazier.

So many aspects of their story are extremely unique. For instance, they didn't actually start Proof themselves. They bought it from someone else. Plus, in their final year as a cottage food business, they produced about $1 million worth of product from their home, which is way, way more than any other cottage food business I've ever heard of.

And they are the only cottage food business I know that was forced to move into a commercial space because of a local zoning issue. Today, they have five brick-and-mortar locations, about 100 employees, and do over $6 million of revenue per year. Plus, they have their own flour milling company, ran their own market for many years, sell online courses, and host in-person intensive workshops.

And they are extremely transparent, sharing everything they learn via their super popular YouTube channel. On the surface, it looks like they are a massive success, and in many ways they are. But when you dig a little deeper, you'll see that growing at the scale that they have has come with a lot of challenges as well.

This ended up being the longest interview I have ever done, and as a result, it will be a two-part episode. So with that, let's jump right into part one.

Welcome to the show, Jon and Amanda. Nice to have you here.

Amanda Abou-Eid 00:03:37
Thanks for having us.

Jon Przybyl 00:03:39
Happy to be here.

David Crabill 00:03:39
All right. So man, I don't even know how we're gonna be able to cover your story in this episode, but let's just go back to the beginning. How did this get started?

Jon Przybyl 00:03:50
Yeah. We discovered great bread at a farmers market is basically the true origin. We had been visiting my parents in Poland, where they had retired, and found great sourdough bread there. Had sort of one of those moments of epiphany. I remember asking my parents, "So what is, what's up with this bread?

Why is it, why is it different?" And they started telling me about it being made with this culture rather than with commercial yeast, and that this was the way that bakers of old had made bread. So I sort of got the bug. We came back, home from one of those trips, and we actually discovered an early version of Proof at a farmers market.

Proof was started by Jared Allen, a chef turned baker, out of his home garage, and he had been working on it for a couple of years by the time that we stumbled upon the business in a way that we weren't expecting. Fast-forward from the time that we started buying bread regularly, we were Saturday customers.

Every Saturday we had to go, get a loaf of bread. And then came 2017. We also had gone and visited my parents in Poland. Had kind of a hard trip. My mom had, was kind of in a downswing in a 25-year battle with cancer. That was a rough period in her journey. Yet Amanda and I were engaged to be married, and so we were just on opposite wavelengths between my parents and us.

And so the trip was just a little bit emotionally stressful. We came back home. I'm a comfort eater. I just wanted to go get some bread and a croissant the next morning from the market, and that turned out to be a rather fateful morning. Showed up to the market stall, and Jared had one assistant who helped sell at the markets for him.

He was still in the garage baking for some of the restaurants that, bought his bread. And, she didn't even say hello that morning. She just said, "He's moving," to us. He, she knew who we were. We were some of the regulars,

Amanda Abou-Eid 00:06:26
We were like one of four families that was there every week buying like a four-pound loaf of bread.

Jon Przybyl 00:06:33
Yeah, he made these giant, kind of traditional loaves that you might see in like Poilâne in Paris or actually just so happens that that bread that we had discovered in Poland was also like a giant round loaf. And so, anyway, my heart sank after learning he was moving. I shouldn't have been thinking so much about Proof, but just couldn't stop thinking about it all weekend.

Went online onto Instagram and there was, there was a message on the Proof Bread account that said something to the degree of, "Moving on in a few weeks. If anybody's kinda interested in, taking up the torch, contact me." Fast-forward to Monday, two days later, I had reached out to Jared and agreed to meet with him at his garage at the, at the bakery, and I told Amanda, "Hey, well, I at least wanna go get a recipe or something and see if we can continue having this great bread in our lives."

At the time, there really wasn't a whole lot of sourdough bread around. This was one of the only places you could get true sourdough from. Well, so I showed up to the house and the big Mormon family, seven kids at the time. I think they have eight now. They live in Kansas. But I walked through the front door and the whole house had been kinda converted into bedrooms.

Go through the living room, there's a couple kids that had made that into their bedroom, dining room. Finally made it to the garage and got this huge smell of, bread that had been baked that morning. And what I saw in front of me was what you might imagine, a medieval baker setup, minus the fact that there was a little bit of electricity powering some things.

But there's no mixers around. There's a big kinda dough trough in the middle of the garage that looked like you could put about 40 loaves in it. That was about the amount that it fit. There was a table. There was what looked to be a very old oven in the corner, a convection oven as well.

That was it. It was an Arizona garage, summertime, June 2017. It's definitely hot in there, no air conditioning. And so I kinda looked around and wondered, "Where am I?" It's kind of a totally different environment that I ever been in my life. And just asked Jared at that moment, well, what was he looking for? To me, Proof was already something rather valuable. It was my weekly routine. It was, this representation of ancestral bread that couldn't really be found in any other place. When he told me that he wanted $10,000 just for the bare bones equipment that was in the space, I was a bit floored, to be honest.

I guess I just expected a much bigger number or something like that. And now in hindsight, I understand why the bakery probably was only about that valuable, at the time. But we didn't have $10,000. I actually decided to counter in that moment. I asked him if he'd ever consider something like 15 over six months.

And there was someone else in line, actually. It was a tortilla maker that was at the farmers market with Jared and sold tortillas that he made right next door. They'd become friends as kinda farmers market buddies. Jared had told me about this at that time, that this tortilla guy was potentially looking to take over.

But we agreed that basically I would go home and talk to Amanda about it and if something didn't work out with tortilla guy, then maybe that would work out. So I went home and I asked Amanda if we could take over a bakery and told her the details and I don't know why she agreed, but she said yes, and the tortilla man's wife said no. So, two days later, now it's Wednesday, which is I think five days after that initial moment at the farmers market.

Now it's 4:00 in the morning and we're showing up to this garage in Mesa not too far away from our house, kind of in between where our Mesa bakery is and our house right now. And, we're learning how to bake bread. Spent two weeks with Jared in that kind of a setup in his home garage. So every day would show up in the morning and learn a little more about the whole process that he was doing at the time.

He was already making bread seven days a week for just a handful of restaurants and for the farmers market. So roughly like 110 customers per week, about 100 and 100 or so at the farmers market, and the rest were just orders for restaurants throughout the week. Well, two weeks later, we moved the whole operation to our home garage, in a home that we had moved into about a year earlier.

We still didn't own that home. Actually, the home that we did own was Amanda's first home in Tempe. It was a condo and would've not been suitable for what we were about to do. And during that two-week transition, I was actually going and baking with Jared in the morning. Then I still had a business that I was running in the background, and I would spend also part of my afternoon preparing our garage in this home to accept the bakery.

And that involved some things that probably tenants shouldn't do, like pulling more electrical capabilities from the panel to the garage to power those old ovens. And sure enough, two weeks later, we moved the whole operation into the garage. Jared spent a couple days with us in our garage before he took off, and we've talked to him maybe three times since.

At the time, we were serving a little over 100 customers a week. Fast-forward to today, and Proof has nearly 100 employees and serves 8,000 customers a week across Phoenix Metro. We were fortunate enough to buy the home a few months later, and that was just in time because we still had our W-2 income to help kinda qualify for the home.

So that all worked out fine, but the entire story of hand-mixing from a garage to where we are today is a bit of an epic tale.

Amanda Abou-Eid 00:13:32
Yeah, it sort of feels like we took on this bakery, we adopted a sourdough starter, and like Alice in Wonderland style, like fell into this starter.

David Crabill 00:13:43
Yeah, I actually wanna go back to that Saturday market because you described it when the employee told you that he was moving, you described it as feeling as if you were robbed. And I thought that was a fascinating way to describe it, because most people would maybe be disappointed or if they knew that there was a potential opportunity to take over the business, maybe there would be some excitement.

But being robbed, like, you can't feel robbed of something unless you consider it to be yours. And so I thought that was fascinating that you somehow had this personal connection or identity to this product that was somebody else's. Can you expand on that?

Jon Przybyl 00:14:31
Yeah. I think, I think that's a worthy topic to even expand on in hindsight now that we have so many people that are part of our community. And, there's something about food. It's as close to elemental as it gets. It's not the rain, it's not the wind, it's not the sun, but it's kind of the next level of elemental in our, in our DNA.

We know we need it. And, then we associate food with culture, I think. It– food, food also conveys a sense of memory and a sense of belonging, a sense of connection, and Proof was doing sort of all of that for us, for the couple of years that we were customers, especially for me. I was here in the desert, far away from where I'd grown up in Chicago.

My parents were even further away back home in Poland, and something about that Saturday morning ritual of grabbing a loaf of bread reminded me of my parents and my childhood, reminded me of great meals around the table. And, yeah, life was maybe a little bit, tumultuous at the time. I mean, it was exciting to be in a rather new relationship with Amanda.

We had met a couple years earlier, but I had gone through a divorce. Our kids were young. Life was sort of kinda revealing a completely new chapter, and that ritual of going to the market on Saturday mornings was grounding. It gave a sense of being a part of an actual place, a community, rather than a lot of the work that I was doing at the time was kinda computer-based and virtual for my business.

So, it– really, Saturday mornings were a routine that provided a lot of comfort, and the idea that this entire thing was now just going to disappear, sort of was like taking away one of the aspects of my week that I was most looking forward to.

David Crabill 00:16:59
Yeah, because, I mean, it really, this is somewhat irrational, right? It didn't really make sense to be buying a sourdough business. I mean, you didn't have any professional baking experience yourselves. I know that, Jon, you in particular, you've had entrepreneurial experience, but it just seems like on paper

there wasn't really any good reason to, like, take over this business that would eventually take over your life.

Jon Przybyl 00:17:32
No, if you look at it just purely from a logical perspective, every aspect of it is suboptimal from a money generation perspective than other things you could do. And yet, at that time and to this day, I have this strong sense that this was something that must be done and that I'm the best to help carry that torch.

And I'm fortunate enough that a lot of people around me help carry it when, because it's far too heavy for one person to bring forward. Amanda being kind of that first person that always has been willing to help despite all of the subsequent challenges associated. But, at the time, to give you a little bit of context, I had spent years wondering, what am I doing with my life?

I was only in my late 20s, but really since being a teenager, I was sort of looking at the world around me and just sort of dismayed with how we live, so far away from our design and our purpose. Just really toiling over kind of the division in the world, the purposelessness in a lot of work where it's not really clear what problem you're solving when you go into a giant corporation that has many, many departments and you're a cog in that big machine, all for the almighty dollar, which then by that point I had sort of learned has some strange ways of coming into existence in the first place.

I just, I didn't like the fact that if one of my grandparents would ask me what I had done my whole life, I didn't really have an explanation that they could really even understand or comprehend. And there's something about the idea of baking bread for your community that seems about as real as it gets, as tangible as it is.

And in a, in a world full of constructs where meaning is hard to really figure out, this didn't seem like that. It seemed like something that I could really wrap my head around, understand why I'm doing it, understand the value of it in a community level. And so that alone was a powerful enough reason to jump.

And recognizing that in our life, this was one of those moments where if not now, then when? If not in this moment where there's already a lot of transitioning happening, this is not the kind of decision you can make whenever you want in your life. It probably can only be made in very particular moments where there's even a possibility of making such a big upheaval.

David Crabill 00:20:49
Amanda, what was your perspective on all this? 'Cause I know it was Jon that was kind of charging forward. He was the one that had, like, the Polish sourdough connection, and then you spent two weeks in Jared's garage trying to learn all this. What was your perspective?

Amanda Abou-Eid 00:21:04
I think for me it wasn't so far of a leap. I spent the majority or the most formative years of my childhood in a farmers market. My mom and dad built a little living around, a community stand in a farmers market selling Lebanese food. And so I remember, I have like fond memories of like running around the farmers market at night.

This was on the East Coast, so it was like a enclosed space. And just like feeling so free and to like run around. It was like our little playground. And so when he presented the idea... Jon, did I say yes right away? I don't remember.

Jon Przybyl 00:21:45
Pretty much. Like, there wasn't a whole lot of resistance as far as I–

Amanda Abou-Eid 00:21:48
Yeah. Well, but I must be clear because Jon presented it as like, "Oh, I'm just gonna, it's gonna be 4:00 to 9:00 every morning. No big deal. I can do this and my other job." And it quickly swallowed us. But, I think that I had grown up around food in my mom's kitchen. Both of us really have grown up in our mom's kitchen, and food means so much more to us because it is our tie to our heritage.

Both of us are firstborn Americans. And so it just, like food has such a bigger meaning for us, I think. Ties to so many memories. It ties to our culture. It ties to our history. And so when Jon presented this idea, I feel like for me it was like, oh, this is really... Like Jon kind of alluded to that time of life being a bit tumultuous, and this felt like something really grounding and, I don't know, something inside of me just said like, "Yeah, this is right."

Jon Przybyl 00:22:50
I was sort of watching my previous life sort of get divided up in two, starting with, of course the hardest thing that happens in divorce is figuring out an equitable arrangement for your children. So dealing with that, we had the girls half the time, so kind of one week on, one week off.

And, the second big division for me in my life was the division of the business that I'd been running for the previous eight years, and that division came at a cost of actually giving up its ownership. So I was already a year or two into working for the company that I had founded, as an employee, not as an owner, in order to settle kind of the divorce.

And, so by that point, I was already feeling a lot of grief over just that entrepreneurial itch, if you will, as well. So all of that sort of coalesced together. The relationship Amanda and I had been forming was really Was really sort of governed by trying to kinda seek our roots in a bit.

Like that's what drew us together in the first place, both of us being children of immigrants, both of us having similar sort of upbringings in that regard. And so we had been on this exploration journey of both of our roots for the first year and a half of our relationship before this whole journey with Proof began.

But, definitely should be noted, we were still discovering our relationship at the time that we had started Proof together. We weren't married yet. We only had a couple years together. This was a pretty crazy thing to do in the point of life that we were in.

David Crabill 00:24:49
It's so different from every other, like, traditional startup process for a cottage food entrepreneur, right? Most people in your situation, Jon, might have felt this connection to their childhood or Polish bread and then would maybe eventually learn how to make sourdough themselves.

And, I mean, you know this, you know this process, right? And eventually start to sell it, build up a business. You guys just– like, grabbed onto a train that was already moving at full speed. So, it– but it's so different, right? Because, like, you guys purchased somebody else's business and carried it forward as opposed to starting it on your own, and I was wondering, what if you had gone down that route?

Say there was no sourdough in your area and you had to make it on your own. Do you think you would have ended up here anyway, and how do you think it would have looked different?

Jon Przybyl 00:25:48
I think there's elements that might have landed differently. I think we probably would've ended up here over a longer period of time and most likely avoided some of the hardest lessons along the way. It's important to note that we jumped onto a moving train that was on its way to colliding with a giant brick wall.

There is a reason that Jared was moving on from Proof. We had spent maybe two days together, and I was in his garage in the morning, and he walked in. I had actually gotten started with some of the workflows. He had left me a note, and he joined an hour in. He said, "You know," he looked really tired, and he said, "I haven't had a day off since February," and it was late June.

He was definitely struggling with feelings of burnout, and it wasn't really clear what to do in his set of circumstances. The business seemed to be a bit maxed out. He was working seven days a week, busy all the time, so much so that a lot of the planning was no longer proactive in nature, meaning he would wake up to the orders that were due later that morning.

And so by the time he woke up, he just had to sort of adapt to whatever was necessary for the day, and he was learning what was necessary for the day right when he woke up. And so within seconds, kind of the day falls into its path, and by the time you're done, you're wiped out. And, from just more of a financial lens, it doesn't seem like there was enough money to pay for any help, and it doesn't seem like there was enough money even to fix the sort of circumstances around, meaning kind of get better equipment or fix the equipment that was there or really make any part of the process any easier.

Sort of felt like we were starting from, being trapped in a corner and kind of battling our way out of that corner.

Amanda Abou-Eid 00:28:20
Yeah, it kind of felt like Jared had fallen into kind of this like more reactive mode. And sometimes when you're in the thick of something like that, of just trying to build something and you've been doing it so long and you're tired and exhausted at the end of the day, sometimes it's hard to think about like...

Well, and then you have to consider he was a dad to seven kids. It's hard to think about how do I systematize and get myself out of that. So we started, like you, like you said, it was a moving train, and it took some time to figure out where that train was going and how to readjust.

Jon Przybyl 00:28:59
And realistically, yes, Jared had seeded something in the original, design of Proof, meaning, it actually wasn't purely a sourdough bakery at the time. He was so, trapped by the circumstances, the reaction, reactionary nature of his day-to-day, that he had to make a few breads with yeast because the orders came in overnight and he didn't have time to make them with sourdough before they were due later that morning.

So we actually learned some yeasted production in the beginning, things like buns and it's interesting, if you fast-forward one year, everything about the processes, the recipes, the business model completely changed upside down. The seed of where we went was already kind of visible in a narrow tunnel, but we had to upend everything about Proof in order to start it on a new track.

Because had we just continued along the path, Proof would've never become what it is today. And it wouldn't have ever had the identity of... It actually would've transformed into kind of what happens to a lot of bakeries, where they sort of become all things to all people, and dilute themselves into many different disciplines because there's many different types of baked goods.

And we immediately saw that happening. We would, I'd go talk to another restaurant and they'd say, "Well, I like what you're doing here, but can you make me this other thing?" And I would actually say yes in eagerness to, like, kinda dig us out of this position, and soon thereafter, I was making, like, 5 of this, and 6 of that, and 12 of this.

Meanwhile, Amanda was sending the invoices for, like, 20, 30, $40 at a time. And, it was very clear, we were taking our other income, Amanda from her job at American Airlines, and me from my previous business, and we were surviving off of that. Proof was this expensive adventure where it wasn't really clear if anything was coming in from it.

It was sort of a mess, to be honest.

David Crabill 00:31:25
Well, let's expand on that 'cause at the time that you bought Proof, you had nine wholesale accounts, you had farmers markets, you had a established customer base. You obviously had an established product line. You had Harriet, your sourdough starter. And that is a situation that somebody watching this right now is in, right?

They are well-established, but maybe facing that burnout that Jared was facing, so what steps did you guys take over the course of that next year to start to fix some of those things so that you didn't run into that brick wall like you said?

Amanda Abou-Eid 00:32:03
There were a few like, signs Jon alluded to. Like, so I was kind of doing the administration, like after hours or during my day job when I had downtime. And so I was watching him just like follow in the footsteps of Jared, and I just remember this one moment before Jared actually left.

Jon had like gone inside. It was in our garage already. Jon had gone inside to take a quick nap before he had to start another round of production, and Jared could probably sense my hesitation 'cause I started to see like the seedlings of some like, I mean, for lack of a better word, like toxic habits that were formed.

And I remember him asking me like, "How do you feel about this?" And I just told him honestly like, "I don't know." Because at first when it, when we first started, it was like so exciting and so new, and I felt like this is awesome. We're learning a new skill. It feels kind of renegade. And, yeah. And then so by the time that we kinda started to like see a little bit more, I was unsure.

And then, and then I was sending out these invoices, watching Jon work. It was never 4:00 to 9:00. It was like through the night and react to these orders that are coming in on terrible timelines, and Jon's like trying to predict, and so we're throwing away a bunch of like starter that we didn't end up using, and then we'd send the product out, and obviously when there's a change of hands, there's a little bit of a loss of confidence from the wholesale accounts.

And so they were being ultra picky about everything. And meanwhile my part was to come in on Friday night after working a full week and then help Jon bake for the farmers' market, and then we'd go to the farmers' market and sell it, and that was like a joyful experience for us.

Jon Przybyl 00:33:57
And yeah, we noticed like despite no sleep on Friday night whatsoever and kind of working all the way through the market is a very different feeling going and sharing our baked goods with the general community at large where we had discovered Proof versus walking into the back of a kitchen and dropping off what's one ingredient on a kitchen's menu, for way less than what we could sell it for, to the general public and to have the kitchens constantly like complaining about everything.

"Oh, well, well, the ciabatta roll is not uniform today. It's an inch too– it's a half an inch too squat. It's not wide enough," or whatever. That was kind of the difference in our experience early on.

Amanda Abou-Eid 00:34:53
Yeah. Now, my whole point of this, is saying this is to address new bakers or bakers that might be in this position is like pay attention to those signs because there might be a person that really enjoys delivering to the kitchen and hates being in the community and the farmers market. And like, that's gonna be like the first little like light at the end of the tunnel of like, "Oh, this is where I should go."

Or maybe not light at the end of the tunnel or like North Star of like, "This is the direction I should go." I just remember like feeling like, wow, I really enjoy the creative freedom that I get from being able to just bring whatever I want to the market and then talk about it to people and joke with people, see the same people every week, and then for them to receive it and feel this like great gratitude and me to feel this pride that I just made that.

I like brought this to the community and it's being received so well. And so that was like confidence building for us.

Jon Przybyl 00:35:57
Well, mind you, we almost immediately noticed that on a Saturday morning at the farmers market, we booked as many sales in four hours as it took all week baking for wholesale. So really, seven shifts of wholesale and delivery equated to the same top-line sales that we got at the farmer's market, let's say 1,500 bucks.

So I had to work pretty hard for the other 1,500 bucks in sales, the rest of the week. And each day was a whole separate adventure. It was a little bit rough. Like, I woke up in the morning and I checked my text messages and emails. Some chefs were ordering via email, other chefs were texting, and everybody was late in their orders.

We were working with a sandwich shop. They were probably the hardest one that we were servicing at the time. They would close up late at night and be cleaning their shop, and that's when they decided how much bread they wanted the next morning. They expected that we would have it there by 8:00 in the morning.

The order came in something like 11:00 at night, and it ranged heavily. Like, some days there was 30 ciabatta to make, another, other days there was 150. So I'd wake up at 2:00, see the order, meaning I would've had to have guessed the amount of sourdough starter to mix the night before. And keep in mind that what we know now is that baking sourdough is a multi-day adventure and it's not even enough to have the order the day before, really, because you have to get the stuff that you need in order to make the bread in the first place.

It doesn't come on its own willy-nilly. Jared was having to do, like, this whole inefficient run of having to go to the store every day to make up for the ingredients he didn't have because he didn't, he didn't set the right boundaries around ordering, so people were just kinda taking advantage.

And 8:00 AM rolled around and I'm getting angry text messages, from the restaurant like, "Where's my order? We open in a couple hours." And it's kinda interesting. These guys thought that it was reasonable for a baker to hand-mix their bread with almost no notice on a long-fermented sourdough process. Now, when I say medieval baker about Jared, I mean it because Nowadays we have refrigeration.

If you learn anything about sourdough, you'll quickly learn, like most people like mix and shape their bread, then they put it in the fridge overnight and they bake it at will from the fridge. Like they can pull it four hours later or they can pull it a day later and they can bake it off on their timelines.

Well, the moment you take the fridge away, now you're baking on the starter's timelines. Like you're mixing, then the dough's fermenting, then you're shaping, then it's in un-air-conditioned hot garage and like an hour and a half to two to three hours later, depending on what the dough feels like, it's time to bake. And if you're trying to sort of sandwich that all into an early morning bake session that includes multiple products, like you're hand mixing one, then you're hand mixing the other, and you're hoping that by the end you can sort of race to the finish line, stuff all the bread in milk crates, load the car, get to the restaurant, only to then be told by the chef, "Hey, the like semolina that you're putting on the bottom of this like really wet ciabatta, we think that that's a baking crutch.

You should use less semolina." So, we were just like, we were learning the hardest possible way how to, how to do this craft. And I would say in some ways Jared was baking in the hardest possible way. The equipment was kind of like baking on a wood-fired oven. We had to move the bread around this old pizza oven that seemed to be like 100 degrees hotter in, on one side than it was on the other.

It was just, it was interesting. I don't regret it because we had to sort of learn by fire and now we have some skills as a result of that I think help not only just from a baking perspective, but from a, like, well, if we've gone through that, whatever the challenge of the day is today, we can, we can stay calm.

We can, we can get through this. But yeah, that's a little bit of the dynamic at the beginning.

David Crabill 00:40:47

Hey, real quick, earlier I mentioned our sponsor, Cottage CMS, and I'll be honest with you, when I first came across this platform, I was pretty skeptical. I have seen dozens of software platforms created for cottage food entrepreneurs over the years, but this one feels different. For one, Drew and his wife Kathleen are successful sourdough bakery owners themselves. I featured their story on episode 165. They built Cottage CMS out of their own sourdough bakery, solving the problems they were facing while running their business.

Drew also has decades of experience building software tools, so this isn't a side project. This is what he does. As I said at the beginning, Cottage CMS helps cottage food entrepreneurs look established before they feel established. Because here's the truth, when a potential customer lands on your website, they don't really care how long you've been in business.

What they wanna know is whether they can trust you and your products. That's what Cottage CMS does. It gives you the professional presentation your product already deserves, whether you're on day one or year five. I personally set up a site on Cottage CMS for my fudge business in under an hour, and I was impressed.

And clearly, I'm not the only one. Cottage CMS now powers over three thousand food business websites. So I really encourage you to check them out. Now, as I mentioned at the beginning, we do have a special offer for listeners. You can claim that at cottagecms.com/forrager. Again, that's cottagecms.com/F-O-R-R-A-G-E-R. You can set up a free website that stays free forever or try their premium features risk-free with a 30-day money back guarantee. So again, check them out at cottagecms.com/forrager. Now back to the show.

David Crabill 00:42:50

It's a fascinating trajectory because it's the opposite of what most bakers think about, right? When most bakers think about their business, right, they might start at a farmers market and then eventually hope to grow into wholesale accounts. You started with nine wholesale accounts, and I know that within that first year, you eliminated all of them.

So talk to me about that.

Amanda Abou-Eid 00:43:17
I'm very much like a bang for my buck type of person, I think, and What I was seeing was the farmers markets were more enjoyable and they were more profitable. And so this whole time I was kind of like, again, I was working full-time taking care of two girls half-time. Like, it was a lot going on.

But I was watching Jon toil in trouble and sending out these $20 invoices, and I'm just like, "This is not worth it. The juice is not worth the squeeze." And I know that we're getting exposure from having these wholesale accounts, but we're not really able to like hone in on the craft of what we're doing too.

That's the expense of that. And so I just kind of kept poking Jon on the side. And also like, again, you have to think about like our relationship was pretty new. We met in December 2014, and we started a business in July of 2017. And I adopted two girls basically overnight. We moved from my like little safe zone in Tempe of like my house that– at my first house that I'd ever had.

And, then I'm like watching Jon's actions, like kind of questioning like, " Are we on the same page?" And, yeah. So eventually we reached the point of like, okay, well, this is the more profitable arm of the business. There was also kind of a divide between Jon and I during that time where I think I had one idea for how the business was gonna run or how or what Proof was like meant to us, where he had a completely different vision for how Proof was.

And we could never really– Neither one of us could really articulate at the time that vision, like our independent visions. And so that caused a little bit of like friction for a while. But yeah, the main reason that we ended up going that full– that path was like it was the biggest bang for our buck.

Not only was it most profitable, it was also where we enjoyed to be. And I felt like I could do a better job of getting exposure by representing our own brand versus having it be, like Jon said, an ingredient on someone's menu.

Jon Przybyl 00:45:42
At the same time, we quickly discovered why Jared hadn't gone down this path. Of course, adding more farmers markets on Saturday morning, versus baking all week, well, it's really concentrating what you're doing on one day. And so now that oven that can only bake eight loaves an hour, becomes quite a liability.

And we almost immediately encountered that when we added our second market. We– I actually hired our first employee while Amanda was away on, at like a family wedding. And part of the reason was oddly, we were already running more hours of the day, than we even do now, because

our equipment was so inefficient, between hand mixing and between an oven that could only bake eight loaves an hour.

We were working around the clock. So that was kind of an interesting thing. And then we only kept leaning into that because we loved the farmers market so much, and we saw sort of a transformative change to our business, when we, when we participated in them more fully. So we ended up dropping all of our wholesale by January and adding a third farmers market.

So then pretty much the only wholesale we kept was like, I think we kept a couple accounts that were just so easy that they almost felt like they didn't even exist. They were just like very well folded into our process. And we also kept a couple, like we kept an obligatory or two account. We just didn't know, I did not know how to deal with conflict well.

So Jared had like this other market buddy that made sausage at the market. And, this buddy had asked him, "Hey, like, will you make me some sausage ciabatta?" And so he would come drop off some frozen sausage that he had made, and we would start like our Saturday morning market production with browning sausage in our, in our home kitchen, and then taking it to the garage to make bread, for like a total of 60 bucks a week or something.

Like a whole different product, whole different process, not anything we sold ourselves, just like 16 sausage ciabatta. It took me like two years to drum up the courage to say, "Hey, we can't make this bread anymore. Sorry."

Amanda Abou-Eid 00:48:24
Well, I also think that there was like a turning point too, because we, it wasn't so bad in the beginning when we were– we were also making ciabatta for ourselves just without sausage. But then at one point we decided like, we don't wanna make this product anymore. And then it was like, okay, well why are we still making sausage ciabatta?

Jon Przybyl 00:48:41
Yeah, during this time, the other thing that's kinda worth mentioning is we were slowly discovering our identity as a bakery. We were noticing that there was these few things we were making that weren't sourdough, and we were wondering why. And once we kinda got the restaurants, we had the freedom to decide, well, what would it be like to make a fruit and nut bread that didn't have yeast in it?

Is it that big of a deal to make it sourdough? Like, why is Jared making this with yeast? It... Then also, kind of simultaneously, we were looking at the ingredients and I was starting to become like really bothered. We're making this bread the old-fashioned way over a long period of time in our garage by hand, and yet we're going to the restaurant supply store and buying General Mills flour to make it.

And so then the farmers market rolled around and people would ask us, "Well, what kind of flour do you use?" "Oh, it's this stuff called All Trumps, it's General Mills." And that seemed like incongruent to me. It seemed strange. Here we are hand mixing dough, making this old-fashioned bread, and we're using this industrial-grade flour.

So that sort of was started a new multi-year journey of ingredient discovery during that time as well.

Amanda Abou-Eid 00:50:14
At one point had like 30 different products on our menu, and we were making like these in small batches, and I recognized like things would go a lot better if we could focus on, like maybe 10 products instead of 30. And, I was often the one going out to farmers markets, especially if it was like during the week and after work.

And there was a woman that had come back, we were doing this Wednesday night market, and there was a woman that had come back and started bawling at my booth, basically talking about how she's finally able to eat bread again. And at this point, like I'm not– I'm just like helping Jon, right? Like, I'm not...

He's like into the craft, he's into the science, he's into it all, and I'm just like helping support, doing the business, the administration, the service. And when she came to our booth and was in tears, I was like, "Whoa, what's going on here?" And that led me to go down this whole rabbit hole of like sourdough and the digestive benefits and how much healthier it is for you.

And then like noticing things in my own body, like for a long time I thought I was like lactose intolerant because I would have a grilled cheese and feel like total crap. Well, now I know that when I feel that way, it's because I'm eating terrible bread or unfermented wheat, or poor flour.

And so I remember coming to Jon and being like, "I think there's something here." Like if we can elicit this type of response from somebody who's just picking up our bread on a Wednesday night, like I think that there's something to creating this little niche like almost like a restriction for ourselves and being creative within that restriction.

David Crabill 00:52:07
It sounds so idealistic, right? We're using this great flour. We're kind of bringing back the old-fashioned way of making bread and supporting our local community, but it doesn't come without its challenges. And I'm thinking about 2018. You got through the first half year.

You're moving into 2018 and got rid of the wholesale accounts. You're starting to improve your systems. Take me through that year, and what did that look like?

Jon Przybyl 00:52:40
Yeah, that was, is definitely a challenging year. We got into 2018 and two months in, we have three farmers markets. We had kinda gotten past a lot of the wholesale stuff that was plaguing us the year before. And that oven, that we were relying on that was baking eight loaves an hour, stopped working on us one, one day, during a busy shift.

And we didn't really know much about servicing bakery equipment either. We didn't have very many contacts. So we start calling around to see if somebody could come and help us with this oven and sort of panicked about it. We spent quite a bit of money just getting it diagnosed. It's like 1,000 bucks to– Something that I've learned now is like, if something breaks, you're gonna spend probably $1,000 just figuring out what broke in many– many situations before anything is fixed.

And after all of that, they tell us, "Well, gosh, this oven's been wired so many times and can't really find any parts for it anymore. I think you're done. Like I don't think we can fix this." So here we were, a cottage bakery without an oven. So yeah, that was a tough, tough moment. It was the first time that we also kinda leaned into, our community a little and sort of shared what was going on.

We had just spent this $15,000 to buy this bakery. We were just trying to make it work. And we had spent all this money, like moving it into our garage and just kinda learning this craft. And now we don't have an oven anymore.

David Crabill 00:54:34
And your job at the time, right?

Jon Przybyl 00:54:37
Yeah, actually, actually December of that year, two year, two months earlier, I had gotten canned from the business that I'd started eight years earlier.

So at this point, the writing had been on the wall for a little while. My responsibilities were slowly getting stripped away, and it seemed like I was almost more of a, more of sort of like a figurehead in the business, not even doing much anymore, by that point. And then eventually I just got fired.

Amanda Abou-Eid 00:55:12
This is actually what sort of like created that divergence is Jon was like having all this stuff happen in the background, not really communicating with me. Like, he knew that he saw the end was near, and so his vision for the business was a lot bigger than mine because that was gonna be like what sustained him.

This is his new gig, versus me thinking like, "Okay, well, we're just gonna make some extra money as a family and do this on the weekends."

Jon Przybyl 00:55:37
Yeah, so I was already kind of in this big idealistic brainstorming mode. Right as our oven crapped out in February, I had actually bought the first bag of locally grown flour for Proof as well from a local flour mill, and started blending that into kind of this industrial flour we'd used before to try to make a better product.

Our oven breaks. We actually started a small GoFundMe, and a bunch of people helped us with a, I think like around 3,000 bucks towards a new oven. That was enough to put a down payment on a proper bread oven. Amanda's dad came through and gave us a short-term loan for the other, like $17,000 we needed to buy it, and so about a $20,000 purchase.

David Crabill 00:56:30
And just to clarify here because there are a lot of cottage bakers that buy commercial ovens, but they're much smaller. Like the Simply Bread oven as an example, right? So– and that's not gonna be $20,000. So you guys were definitely going big with this oven.

Jon Przybyl 00:56:46
Yeah, the Simply Bread oven didn't exist then. The Simply Bread oven required our YouTube channel to come into existence. So Stan, the founder of Simply Bread, started watching our YouTube channel in 2020, started a cottage bakery, saw us describe our ABS oven, the one that we had spent 20 grand on just to buy, another 20 grand to power, and he decided that he would start building Simply Bread ovens and sort of change the industry.

So, this was several years prior,

There was only one oven like that. I feel like that was pretty prevalent at the time that I remember hearing about was the Rofco. And then, and that was, like, hard to come by for some reason at the time. But we had already exceeded this point where like, we needed more space. So we ended up investing straight into a four-deck electric steam-injected oven.

Yeah. I mean, even had the Simply Bread oven existed at this time, we would've needed at least two, to make a dent on efficiency because we're already baking eight loaves an hour. And so the Simply Bread oven can hold 12 loaves. We would've needed two, and so we would've actually still been in a similar price range and total investment.

But it– well, at least for the oven itself. We listed Amanda's home in Tempe for sale at that time. We had bought the home that we were in, and so we gave notice to our tenants saying, "Hey," like their lease was coming up, and so we listed for sale about a month after. Kinda interesting how all the timing worked, that their lease was coming up right as this oven had broken.

And so her dad gave us a short-term loan. We sold the property, and basically the proceeds from that sale funded Proof the rest of the year. It was a monumental year. We took 20,000 and finished paying off the loan to her dad. Then another 20,000 went to powering this oven in our garage. When we first moved it in, we could power half of it.

That's about what the old oven took in power. So two of its four decks were powered, but then in order to power the rest, we needed to actually upgrade our entire electrical panel. So we did that, and actually we already had a couple people working for us, but the business really couldn't support them.

So once I had lost my job, and Amanda actually had left her job at American Airlines just two months later. So the proceeds from her condo sale basically went to the oven and to our labor budget for the rest of 2018, and without that, I'm not sure that Proof could be where it is today. It was actually right as that money ran out in December of 2018 that we finally were selling enough product as a bakery to pay for the four or so employees that we had and ourselves and the bakery's needs.

So you could say that January 2019 was the first time that Proof made a small profit from its work.

David Crabill 01:00:09
And that, and that's really significant, right? I mean, you even sold a home and were essentially investing your own money for a year and a half on a business that was ostensibly a successful business. I mean, maybe from the outside it looked like a successful business, but you were really pouring in some ways, like life savings into this thing that could have fallen apart, and almost did with the oven.

So I mean, why do you feel like you made that decision? 'Cause I mean, it's quite a risky decision financially, and for something that essentially is consuming all of your time, more than all of your time to run?

Amanda Abou-Eid 01:00:56
I think for me, because it was kind of hard for me to like part with this because I had worked so hard to like build up a little nest egg and like have this property. And at this point it was like clear that whatever visions that I had for our life was, were like being exploded. And so it was sort of like, I remember this moment where I was just exhausted.

Like not sleeping is terrible, but for a woman it's like even worse. So, I just remember like kind of venting to my aunt and her responding back with a, with a Lebanese saying that is basically translates to, "You can't hold two watermelons in the same hand." And so that was like, for me, that was like, okay, well that's work, like my corporate job, and that's Proof.

And so it caused me to sort of like think about everything that we were doing and sort of like the life that I wanted to live and kind of like evaluate the tests or challenges that I feel like life was handing us. And ultimately, as I thought through this, I recognized like... I asked myself a series of questions, one of which being like, "Well, which would you regret more?"

And I think ultimately I landed on I would regret not trying to, not trying. I would regret not taking this adventure, and that's kind of like what led me to, eventually end up quitting my job. And then in terms of like spending the money on the oven, that too sort of felt like a recommitment.

I mean, these, this was a hard time. Like, not just was it, not only was it hard for like the business, it was hard for Jon and I. And so I just remember like also another like sort of fork in the road where it's like I could peace out right now. Or I could double down and commit to, or I could double down and like really just commit to this promise that I've made.

And so, and I, and I, at that point I'm asking myself, "Well, what kind of person do I want to be?" And so I was like, "Yeah, okay, this is the leap. These are the leaps that I have to take to live the life that I want to live eventually, and be the person that I want to be.

David Crabill 01:03:43
This ties into something that you've talked about on social media, that it's not necessarily the destination, right? And this is an often cited thing, but it's the person that you become along the way that matters. How do you feel like this journey... And, we haven't even got into half of it, but how do you feel like this journey has changed each of you as people?

Jon Przybyl 01:04:07
Yeah, it's a big question, and even from the perspective that we've, discussed in 2018, we had no way of knowing what was to come in 2019, 2020, '21, all the way through today. And really, each year has brought an evolving sense of adventures and opportunities, obstacles, major learning lessons.

I think the easiest way to sort of sum it up is that, doing this kind of thing, I think entrepreneurship in general, but especially entrepreneurship from a cottage perspective where you're trying to build something as a livelihood. 'cause I think cottage industry can come in so many different form factors.

Not everybody is doing a cottage business for their primary livelihood. In some cases, it is this beautiful thing you can do as a supplemental, part to your livelihood or something to fuel a passion. In our case, we were squarely on this journey of making this into a primary livelihood, and I think if you go down that path, especially in the food industry as well, it'll scrape your soul.

It will really scrape you down to your bones and force you over and over again to confront who are you, what are you made of, what do you value, and what does all this mean for what the future might hold for you?

Amanda Abou-Eid 01:05:44
Yeah, I think, I think for me, through this journey, I've discovered that I'm capable of a lot more than I, than my brain tells me I'm capable of. And that I think another big lesson for me was I'm very much more than Jon a perfectionist, so I'd rather like do it right the first time and whatever.

But sometimes that prevents me from starting and I, and I'm like, I say this all the time, like I... Proof would not exist without Jon. Like, I couldn't do it on my own. I feel like I could do a business, but like I'm not naturally brave enough, or wasn't naturally brave enough to start something and do it messy first.

Whereas Jon, Jon, Jon will make the mistake and then, but it's okay because he also knows how to fix the mistake. And you're in that process, you're just, you're learning how to build capacity and skills and [01:06:41] Jon Przybyl: Well, and meanwhile, my lessons were coming from the opposite perspective. I was just running into wall after wall because I refused to say no for a while. I would just say yes to everything that was coming our way. And so I was learning, wow, if I say yes to everything, then I become nothing.

Kind of quite literally, because if you try to be all things to all people, if you try to, try to appease every chef that comes to you and wants a different kind of loaf of bread, well, your bakery won't actually have an identity of its own. It will just kinda do everything that everybody wants it to do.

I was learning that in order to be strong, you have to have focus. It's just learning kind of all the opposite lessons that Amanda's describing. Really, I mean, ultimately, we were assembling our values at that time. It would take many more seasons and years to be able to, like, put them down on paper.

But now we can resoundingly say our values spell the word BREAD: bravery, resilience, efficiency, accountability, and distinction. And to the two of us, I think those values, they carry the meaning of many stories and experiences that we've faced along the way.

Amanda Abou-Eid 01:08:14
In the business environment, I mean, you have to understand like, yes, there's the, there's the craft and there's the ideal, and then there's the restrictions of working in a capitalist society. So that's often where the push and pull comes on like who do you wanna be and who do you have to be sometimes.

David Crabill 01:08:36
And that was actually a thread I noticed throughout your story is you have these ideals about what you'd like your business to be, and then of course, there's also the reality sometimes. And, you've done a number of things. Not only obviously do you focus on sourdough almost completely at this point, but you also eventually implemented a rotating assembly line so that your employees wouldn't be locked in to just doing one thing all day.

You also implemented a four-day workweek at one point.

Jon Przybyl 01:09:11
I think the big one is we also mill our own flour.

David Crabill 01:09:14
Yeah, you also do the local grains. Yeah. And so have you determined, like, which one of those ideals are things that they actually have, like, market value, like they allow you to increase your price, and are there certain things that you do just because you have to live with yourself and you have this standard even if it doesn't actually have a P&L attached to it?

Jon Przybyl 01:09:43
I think if a private equity company, came in today and took over Proof, it would aim to just start slashing quality everywhere in order to extract more profits. And I mean everywhere, because milling your own flour is not financially justifiable yet for us. We mill over 10,000 pounds of flour a month, and we still have not reached a level where that makes any kind of economic sense.

But that is one of those, like, I sleep much better at night and I carry myself differently in the world because I know that, there's local farmers that are depending on the orders we place with them, and because I know that we're actually creating a more sovereign local food economy. So the next time a COVID hits, the next time there's, a pressure on the global supply chain, my wheat is secured for the upcoming season and the subsequent season is about to be planted in the ground.

So I'm only eight months away from having my wheat secured through mid-2028. That's the world that I wanna live in. That's– Like, when I was thinking about the kind of difference we could make, jumping into this back on that Saturday morning in 2017, I'm a lot closer to realizing that now because of some of the things we're doing.

We've barely earned the right to do that, and I suppose, I mean, as a business grows, and I think one of the beautiful benefits of growth can be that you can then trade, you can, you can choose your ideals or you can choose profit, or you can choose some balance of both. We've chosen our ideals numerous times, along that journey, and as a result, maybe we've had to grow a lot more than we otherwise would have.

I think that's kind of a worthy story to dive into, to go to the year 2020. We're still in our garage, and at this point, we're starting to really optimize around that space. My dad had come and visited us for several winters in a row, and each winter had left us with a new permitted addition onto the garage.

So what was a two-car un-air-conditioned space had transformed into this 1,800 square foot, very comfortable space that was partially air-conditioned. We had all the tools that we needed. We were actually producing, like quite a bit of product out of there. We actually, in our final year in the garage, produced about a million dollars worth of product out of there.

And it was by far the most profitable that we've ever been percentage-wise as a bakery. We're sort of contained in a space that didn't have an extra rent, that was largely subsidized by our house. We were working along a kind of optimized farmers market schedule, so we even had a couple days off in the early part of the week.

And yet through forces that we didn't have total control over, we had to sort of restart after that point. And I think there's a lot to unpack there, both for cottage operators that are kind of growing on their own path, and also for people that are exploring, like, should I commercialize this thing?

Because what happened to us after that was, much harder, than the first few years, making Proof viable in a commercial setting. So that was the next big inflection point was 2020.

Amanda Abou-Eid 01:13:43
It's like you can't operate from the same, you can't have the same operating system operating, like working out of a garage or a cottage bakery. Like, there's a lot more room for error versus when you start to adopt overhead costs and equipment costs and debt and all kinds of things. So it's definitely a big thing.

And actually, all that time like that we've been like discussing, we recognize that there's a ton of people that are in that space right now. And so we're really proud to have launched in this last season some... We're like leaning in more into education, which is, I feel like– I'm recognizing for me is like, that's what's bringing me joy today, is being able to give back through these education programs, whether they're within our community or within the baking community at large, in running these like weekend intensives for cottage bakery owners, and then larger operators.

It's been like healing these, all these point, these inflection points in our journey where I'm like, "Oh man, we really messed that up." And so it's been really nice to be able to give back. I mean, we're still paying for a lot of these mistakes, right? But it's, this is our way of giving back to the community and sort of like it's become sort of like a salve for those wounds today.

Jon Przybyl 01:15:18
Yeah, because we're essentially teaching people who are somewhere from where we started to where we decided to go brick-and-mortar or were sort of, you could say, forced to go brick-and-mortar, and giving them all the advice we can possibly share about why you should or shouldn't proceed with whatever their goals are for the upcoming season.

We recognize that we knew quite a bit by 2020. We had optimized a lot, we had learned a lot, and yet we didn't know a lot at all, when it came to a holistic, understanding of operating a bakery with more and more people joining it. We had systematized for ourselves. We had systematized for a garage operation and it just– there's so much more that we didn't recognize from that perspective.

David Crabill 01:16:21
Well,

I definitely want to get into this transition that happened over the course of 2020 and 2021. I consider your story to be one of the very most important stories in the whole cottage food industry because it's the only situation I'm aware of where someone's been forced out due to a zoning issue.

And in fact, this is something that has been what legislators and regulators will talk about in terms of, we need to implement a sales cap because what if a business gets too big? And, what I always say is, like, that basically never happens. But I always qualify it because your story is the one story where, I wouldn't even say it did happen, but obviously it ultimately forced you out.

I know you did almost everything you could to curb it and prevent it from being an issue, but as you said, like, the last year you were in your garage, you did about a million dollars of product out of that garage. That is far and away more than any other cottage food business I have ever heard, operate under their cottage food law.

So, let's talk about this, what happened and just kind of walk me through that period of 2020 and how this all panned out.

Jon Przybyl 01:17:44
It's interesting even hearing the perspective from a regulator's perspective. Our country likes the idea of cottage operators. We like to support local food. But still, I would argue that there's an inherent weakness in, creating a space where cottage operators can sort of safely transition from that level of operation to the commercial level.

A million dollars seems like a lot, and yet to a commercial bakery, it's not a whole lot to work with. We would learn that the hard way when we posted 1.2 in sales in our first year as a brick-and-mortar and lost so much money, meaning we had to borrow in order to survive. So it's interesting the idea of top-line revenue caps, which essentially are saying to a cottage operator, "Well, you can keep this as a hobby, but if you're actually serious in building this into a proper business, we're gonna curb you before you ever try."

I think the proper answer is, if a business is growing, then there should be some cooperative way of helping the business to transition to the next logical step, and that should come in the form of mentorship rather than overregulation.

David Crabill 01:19:17
You guys were fortunate in that your cottage food law did not limit sales,

a lot of states aren't like that. So what would you say to someone who is in a state that has, say, a $100,000 sales limit, or what do you think you would have done if you were in a state with that kind of limit?

Jon Przybyl 01:19:39
Two different forms of advice. First, the advice of what you talk about and don't talk about. I truly, I truly believe that your actual sales are your business and not necessarily the business of the local regulator, and the local regulator isn't necessarily tied to your taxes. I mean, we even have like political officials that don't disclose their taxes, and they're serving a high public office.

So perhaps like you don't have to volunteer your own personal information, and there is a level of regulation that is, I believe, oppressive. Some states are worse than others. We were just reviewing some of the laws in South Carolina after having some people in the Proof Intensive and the way in which the rules are written around sourdough starter maintenance.

The arrogance at which they're written as though the people that write these regulations have a clue of what it means to feed a sourdough starter, nurture it, and use it to leaven bread are all too evident in their words when they choose words like backslopping to write about a process that no baker would name backslopping.

Pull some scientific weird term at that, and imply that a South Carolina baker should restart their sourdough starter from scratch after just four feedings, subjecting the world of South Carolina bakers to keeping powdered starter on their shelves for when the regulator shows up so that they can show the powdered starter saying, "Yep, in fact, we did start our sourdough starter again today, just like we did four feedings ago."

Completely nonsense from a scientific perspective.

David Crabill 01:21:54
That's a relatively recent thing in South Carolina, and also, it's a major problem. There's no other state that is like that, and I think that there will be steps made to try to figure that out and cause that situation to fix 'cause it is absolutely ridiculous .

Jon Przybyl 01:22:15
Yeah, and I guess my point being that however you look at these types of situations, there's elements of them that are ridiculous. There's elements that are well-intentioned, but like with any law, like you pass a regulation and it's good-natured, and then you don't necessarily understand all the downstream consequences of that regulation from the perspective of finance or from the perspective of, from the perspective of in this case, like dough science.

So that's why my advice is like keep your cards a bit close to your chest because if you speak too loudly about what you're doing, I'm certain some regulator will find some fault in something you're doing and there's no need to add to the pool of regulations that already exist because I would argue like revenue caps are extraordinarily short-sighted.

This is a very thin margin business. If you ask any baker, a commercial baker, they would say like if you can keep 10% of your top-line revenue, you're doing well in your organization of your bakery. Well, now apply that to a $100,000 revenue cap. That's to say that the profitability after

you've paid for all the work that needs to be done is worth $10,000, let's say, and you're doing well.

Which means the regulator's actually telling you that the best you can do is like create a job for yourself. You couldn't possibly hope to build beyond what's just a job for yourself. Financially, literally can't do it. So I think revenue caps are short-sighted. Now if you live in one of those states, you have to figure out your own– I'm not going to say to everybody, "Go break the law."

That's not what I'm saying. But I will say that like I believe in the whole ask for permission, for forgiveness rather than ask for permission saying. Because if you ask for permission, somebody's going to say no. And, if you just do it and ask for forgiveness, then a lot of people are going to be behind you when you inevitably run up against the gray zone.

Because I don't care what the revenue cap is. I don't care what the regulation is. If you start pursuing a cottage business and it starts taking off, you start having traction, inevitably you're going to run into that gray zone at some point down the line. And if you have a whole community behind you, at least you have a bunch of supporters.

If upfront you said, "I'm not going to do this because of the fear of crossing those gray lines," it's just you and the regulator then. And of course, they're probably going to be able to impose the regulatory will on you. That's one piece of advice. If you don't want to break the law, and rightfully you probably shouldn't, it does come with a certain sense of stress when you do I think like it's a matter of leveraging some of the resources in your community and figuring out like who's already solving these problems and how you don't have to go alone.

Amanda Abou-Eid 01:25:35
I would say that the best thing for somebody in that situation to do within their cap is to focus on building their product and building their community because I'm very much, one of my favorite books is "The Alchemist", and there's a quote in there that says, "When you want something, all the universe conspires in helping you achieve it."

So from that little seed bakery that you're building, making sure you can like prove and test your product, but then also like really honing in, like use that time to hone in on the fundamentals because those fundamentals will be necessary as you grow. So those fundamentals being like what is your top selling product?

Why do people love it? Who are, who is your audience? And then start building those connections with the community because at the end of the day, yes, we're building, we're making bread and we're feeding people, but we're also building relationships, and those relationships are potentially those– are potentially the connections to those, the universe conspiring to help you.

Like you might hit a wall or you might be in a pinch and someone from your community can actually come and help you, but that really depends and falls back on the quality of the relationships that you built.

Jon Przybyl 01:26:58

Seek a lot of advice before you take the next step.

You might have to spend some time or resources getting that advice, but you'll take a moment to be able to really plan what you want and you won't then be subjected to all the forces around you that kind of, pin you to the wall, because you didn't quite know about this or know about that along the way.

So what was going on in our case? We're a licensed cottage bakery.

There's no revenue caps imposed by the county or the state, and the volume of revenue really to me is irrelevant. The fact that we are baking more or less product out of a garage, that's not the bother. Where we were getting into hot water was the fact that we had non-resident employees and our home was zoned residential.

So the city of Mesa had a regulation on the books saying that you can't employ anybody to do home occupations that doesn't live in the home. And I guess I understand where the zoning comes from. You buy a house and you want a certain degree of peace. To some extent I resent it, because if I was to invite a friend over, who worked on a computer to make a living, and I worked on a computer to make a living, we could work from home and nobody would say a word.

But because we're actually making a physical good, now it's a problem. And yet functionally it's the same issue is a car parked in front of my home, legally on the curbside. It is really what we're talking about because we had a bunch of neighbors, most of which we just showered with bread that we made, and they were thrilled to walk their dogs and kinda smell bread coming out of our garage.

And yet one neighbor that was a little closer in proximity was annoyed that there was always cars parked in front of our house, kind of around the clock because we had, let's say four to six people at our house at all times. Our street can accommodate it. We have wider streets in our residential district than, I've traveled to many places around the world where like main thoroughfares are narrower than our residential street.

So it wasn't like a traffic impediment. The people that were working from our house weren't particularly loud. You didn't hear like crashing sounds in the middle of the night because of our baking operations. It's just a few cars parked in front of the street and it's interesting, we had violated this zoning ordinance so far before a million dollars of production. We had violated it right away in 2017 when the production levels couldn't even support an employee, because as a cottage operator, our equipment was not efficient enough.

And so if we wanted to make bread by our ideals with sourdough, it meant that we basically had to keep the oven fed around the clock. So the violation happened years earlier, and the neighbor that was annoyed started filing complaints with the city probably as early as 2018. It's just that the city really couldn't do anything about it, 'cause here comes a complaint, from a neighbor.

I think for the most part, at first it was ignored. Then the city started coming out and seeing the cars parked and okay, well, seeing legally parked vehicles in front of a house, I don't think that it's probable cause to pull a search warrant that would then allow them to discover that those cars belong to employees as opposed to just visitors of the house.

Taking that next leap of trying to dissect like, who am I inviting to my home and what are they doing here? Well, that would require far more invasive search than just declaring, " Oh, they must be employees because they're parked there."

David Crabill 01:31:24
I do wanna clarify here that people might be assuming, well, there might be noises coming from the bakery. I know that wasn't the case, but I just wanted to clarify that.

Jon Przybyl 01:31:33
Sure. I mean, there's a lot of things that could go wrong. I mean, you are like activating your home in a way that's no longer really residential. You're using it to make a living and, there's definitely smells coming from the bakery all the time. It could potentially be noisy if you were obnoxious about it.

Amanda Abou-Eid 01:32:00
This drives me crazy. Like talking about this makes me so upset because I just think about like the perversion of like life and this society. It's like if you think about why people moved here in the first place is so that they could have the independence to like have a homestead and grow their own food and bake their own bread.

It's like, and have visitors and like here now we're saying like–

Jon Przybyl 01:32:27
You can have visitors, but not if you're doing something productive for your community.

Amanda Abou-Eid 01:32:31
Right.

Jon Przybyl 01:32:32
So for me, I mean, by 2020, we were feeding over 1,000 families from that garage, and we were doing so in a way that we could have sustained indefinitely. And so anyway, fast-forward a little bit, now we started a YouTube channel in COVID.

We didn't really know the significance of that at the time. COVID happened, and we were baking more than ever before. Not right away. I mean, at first it hit us like a ton of bricks. We would go to the farmers market, and there was 1,000 people waiting for us, usually across five markets around the valley, and all of a sudden, only 300 of them were still coming after COVID had erupted.

But we recognized in that moment that the community needed our work more than it had a month earlier. And people were terrified as to what was going on. I had taken a photo at Trader Joe's of the bread aisle, and it was empty, and posted it on our social media, and it went viral because people resonated with this image of empty bread shelves.

I would go to the restaurant supply store, we were still buying some odds and ends there, like parchment paper and that kind of thing, and I would notice that there was a limit on how much flour you could buy. One bag per order. Fortunately, by this point, we were working with a local mill, so again, our flour supply was secured. And we were talking about that. People were resonating with that, and we started selling bread on pre-order, because we would send an email, and we would sort of relate the email to our work from a garage while everybody else was locked down. And people thought, "Yeah, it's good that there's somebody in this community that is still going and baking our bread, because when we go to Trader Joe's, we can't find any anymore."

So all of a sudden, through the first six months of COVID, our business had doubled. We were doing home deliveries on the early part of the week, and about six months into COVID, the farmers market had stabilized. And in May, we launched our YouTube channel. And you can go back and look at that footage.

We didn't know really why we were even launching a YouTube channel. We just kinda did it for fun, Well, the third or fourth video that we published, we published this, like, hour-and-a-half video of basically the camera just following me along as I make, made sourdough from start to finish, and that was the one that took off.

We watched it just take off. I think that video now has been seen over six million times. And, so Fast forward a little more, and now that same complaining neighbor has evidence of the employees that are in our bakery, because our video footage on YouTube depicts people in the bakery working in the background that are clearly not Amanda or I.

And now the city can prove that, well, those people don't live here. And so, September of 2020 was a absolutely pinnacle moment, climactic moment in this whole journey. We got two life-changing pieces of news in a span of three days.

David Crabill 01:36:13
That wraps up part one of my interview with Jon and Amanda. Be sure to tune into the next episode to hear part two.

For more information about this episode, go to forrager.com/podcast/179.

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