

Farm diversification new business ideas – Manufacturing and Crafts

Cake Decorating

Key points to consider

- There has been a decline in home bakery establishments recently due to competition from large industrial producers and supermarkets.
- Cake decorating is a highly skilled craft.
- Opportunities exist for cake decorators providing individually designed and hand decorated cakes.
- It is necessary to consider the feasibility of such an enterprise by measuring potential income against capital costs, running costs and time spent in actual production.
- Premises must meet current environmental health and safety regulations.



Market overview

Major industrial bakeries account for at least 80% of the production of all bakery commodities in the United Kingdom. There are no official figures for the Northern Ireland demand for decorated special occasion cakes, which include those for parties, charity functions, weddings and christenings. With today's increasing busy lifestyles, housewives have less time for home baking. Baking skills are not being passed on, when it comes to special occasions most people now purchase a cake. There are opportunities for those with the skill to provide individually designed and hand decorated cakes.

Generally demand will fluctuate throughout the year with increased demand at Christmas and during the summer for weddings. To ensure a cost-effective and efficient enterprise, there needs to be a capability to produce quality and volume as demand dictates, and the persistence to search for and access new markets.

A reputation of quality and skilful work together with good taste will help to establish and maintain the business and attract new customers.

The categories of celebration or event for which cakes are ordered usually include:

- Birthday
- Engagement
- Wedding
- Christening
- Retirement party
- Leaving party

Service delivery requirements

Cake decorating is a highly skilled craft.

Kitchen

If using your own kitchen it should be kept clean, free from personal clothing and laundry, dust, odour and pets. Ideally a separate work area would be preferred. It is necessary to consult the environment health officer when designing or revamping premises.

Equipment

It may cost £2,500 upward for an industrial oven, while a larger refrigerator may cost up to £1,400. However standard kitchen appliances may be sufficient for smaller throughputs. Prices for baking and decorating utensils vary according to requirements and usage.

Products

Traditional fruitcakes must be booked at least three months in advance to allow time for the cakes to mature.

Typically the base for a novelty cake will be an all butter Madeira cake flavoured with ground almonds (for enhanced keeping quality) and lemon, layered with a light butter cream, finished with marzipan and sugar paste. Choice of flavour and filling may be discussed with the customer.

Ingredients

It will be necessary to keep a stock of ingredients, usually sultanas, currants, raisins, cherries, mixed peel, dried apricots, flaked almonds, butter, eggs, flour, dark soft brown sugar,

cinnamon, mixed spice, lemon, brandy, white marzipan and the required icing. Wastage must be tightly controlled in order to maximise financial income and profit.

Cake decoration

This will involve techniques such as:

- Crimping- a process of elaborate frilling
- Frilling- this is often in the form of a pleated design
- Embroidery designs and border patterns

Courses for cake decorating are available at local Further & Higher Education Colleges. These are intended to give the beginner and enthusiastic cake maker the opportunity to learn and practise methods of designing celebration cakes.

Marketing and promotion

Posters or leaflets can be printed and sent to local shops or residences at a low cost. Advertising in local papers, wedding journals and magazines and attending wedding fairs can be useful in targeting potential customers. It may be also worth investing in a photograph album to show prints of previous finished products. This facility helps prospective clients decide which design to choose. Products should be attractive and samples may be given to encourage sales. Demonstrations at local Women's Institute meetings or craft shows will also help to promote the business.

Financial considerations

Capital investment

The capital required to set up a cake decorating business will vary according to your requirements such as the conversion of rooms/buildings/kitchen (if necessary) and specialist equipment, for example a mobile refrigeration system.

Other costing factors to take into account include:

- Raw materials, labour, uniform and linen
- Electricity, gas and water
- Repairs
- Insurance
- Transport, if providing a delivering service

Pricing

Each cake should be individually priced according to the size, taking into consideration the complexity of the design and the time it will take to complete. A premium may be charged for particularly skilled or intricate work.

Celebration and novelty cakes typically cost:

- £50 for a 10" round Madeira
- £60 for an 11" rectangular Madeira
- £250 for a two tier wedding cake
- £350 for a three tier wedding cake

These prices are based on a rich fruitcake or an all butter Madeira cake made with ground almonds, covered in marzipan and sugar paste then decorated with hand made sugar flowers.

A royal iced cake adds about 30% to the above cost, as extra time is needed to apply and smooth several coats of icing. This also includes lace piping and brush embroidery. Madeira type cakes are not normally royal iced. Cakes involving more detailed and elaborate designs would be priced accordingly.

With wedding cakes, customers are normally required to put down a 30% deposit. This ensures that losses are protected if the order is cancelled. A wedding cake service may include a free local delivery and set-up at the designated location. Stand hire for cakes can also be made available and normally is priced around £15.

Further contacts

For guidance with all types of food related projects contact:
Loughry College - The Food Centre
Food Technology Division
Cookstown
Co. Tyrone BT80 9AA
Tel. 028 8676 8100
Fax. 028 8676 1043
Email: loughry.food.centre@dardni.gov.uk

Contact your environmental health officer through your local council for details of requirements.

This information sheet has been compiled by Rural Enterprise Advisers.

For advice and guidance on your farm diversification idea contact your local Rural Enterprise Adviser. For details of the adviser in your area:

Tel: 028 9052 4406.

E-mail: ruralenterprise.afds@dardni.gov.uk

Website: www.ruralni.gov.uk/farmdiversification

Note: the information provided herein is for general information only. It is not necessarily complete and is not intended to address the specific circumstances of any proposed enterprise. The market and circumstances may change substantially. Further research will be required before embarking on any new enterprise.

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