



Cornell University
New York State Agricultural Experiment Station

Purchasing Used Equipment

Fact Sheets for the
Small Scale Food Entrepreneur

Published by:

*The Northeast Center for Food Entrepreneurship at the New York State Food Venture Center, Cornell University,
<http://www.nysaes.cornell.edu/necfe/>*

This publication is for educational purposes only. 05/06

Purchasing Used Equipment

Buying used equipment is like buying a used car; the potential for success is dependent on the knowledge of the buyer and the reputation of the seller. The type of equipment you are purchasing can influence the companies with which you choose to deal. Understanding who you are buying from and what you are buying at what terms is essential to any successful transaction.

Identifying Equipment Needs

Manufacturers make products of differing quality and capability. When choosing equipment and suppliers, it is critical to know both the standards to which the equipment was originally built and the level of operation your business requires. The following questions can help to determine your equipment needs:

- How often will the equipment be used
- What will the equipment be used for
- What volume or capacity do you need for processing
- How much space do you have for the piece of equipment
- Appropriate power source: electric, gas, pneumatic, steam

Finding Suppliers

To identify companies that sell the required equipment, it is recommended that you speak with other food entrepreneurs, as well as organizations, such as NECFE, who may have recent experience purchasing equipment. Based on your research, compile a list of a few local companies, as well as several from around the country, which would be worthwhile contacts. Keep in mind that:

- Local companies may have lower shipping costs.
- You can view the equipment available at a local supplier prior to purchase.
- National companies can sometimes offer a larger selection.
- Food Service (restaurant, cafeteria) suppliers may have equipment sized to meet your needs, especially for small-scale processing.
- Suppliers may rent the equipment in addition to selling it.
- Auctions may be a good place to pick up used equipment.

Questions to ask when purchasing Used Equipment

Whichever company you contact, the information requested should be the same:

- Equipment including brand name, model number, serial number, power requirements (electric voltage and phase, gas flow needs, volume of air required, etc.)
- Various pictures of key areas on the specific piece of equipment being discussed
- Is the equipment made from material rated USDA/FDA food grade?
- Shipping charges (who is responsible, from where, as well as the estimated charges)
- Insurance charges while in transit
- Warranty on equipment (including when the warranty starts, what is covered)

Published by:

*The Northeast Center for Food Entrepreneurship at the New York State Food Venture Center, Cornell University,
<http://www.nysaes.cornell.edu/necfe/>*

This publication is for educational purposes only. 05/06

- Right of refusal upon delivery for unacceptable equipment
- Handling equipment necessary for delivery (is a forklift required, etc.)
- Who is responsible for unloading the equipment?

Reconditioned Parts

In order to know what you are getting, it is critical to know the extent to which the equipment has been reconditioned:

- Make sure specific reconditioned items are identified
- Make sure the extent of reconditioning is stated
- Understand what is meant by “reconditioned,” i.e. washed and polished, replaced with used parts, replaced with new parts
- Are the reconditioned parts USDA/FDA food grade
- Determine additional warranty coverage for reconditioned items

Researching Equipment History

Many equipment manufacturers can and will tell you the original date of manufacture, power and equipment configuration, as well as original buyer if you have a model and serial number.

From this you can then infer:

- What has the equipment been used for
- How long the equipment has been used
- How hard the equipment has been worked
- Any modifications to the accessories, base equipment, or power needs
- How old the equipment is (will safety modifications be necessary to comply with current regulations)

Other critical information about a piece of equipment varies depending on the specific item. To identify any pertinent information it is important to know and understand the piece of equipment needed. For example, an agitator on a kettle originally sold non-agitated, or the wrong phase motor on a mixer would be suspect.

Pricing

After the basic information has been gathered, pricing should be reviewed to arrive at a *net equipment cost*. The net price includes the quoted price and several other factors such as:

- Shipping and insurance while in transit
- Additional warranty on reconditioned parts
- Location to which equipment must be sent in order for repairs to be covered under warranty (a real problem if the shop is 1,000 miles away).

Published by:

The Northeast Center for Food Entrepreneurship at the New York State Food Venture Center, Cornell University,

<http://www.nysaes.cornell.edu/necfel>

This publication is for educational purposes only. 05/06