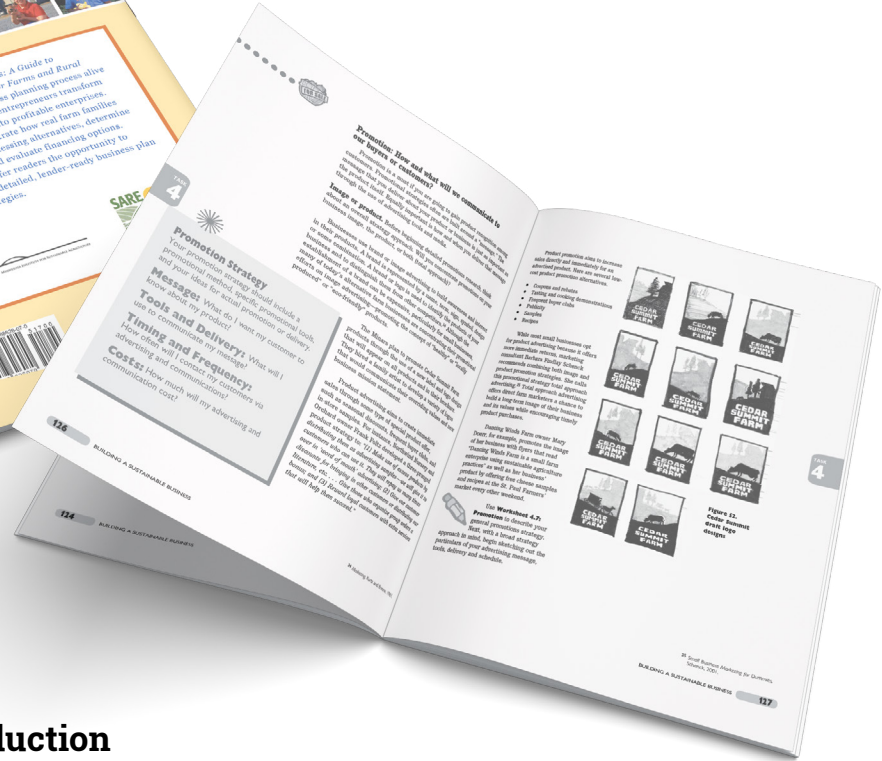
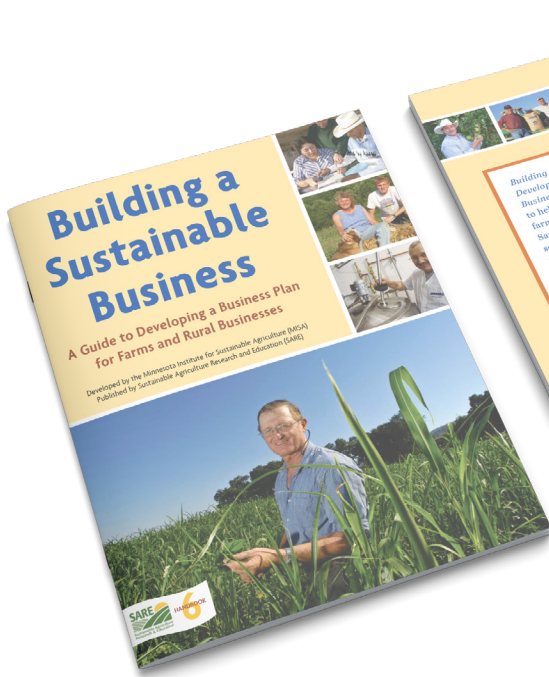


# Technical Assistance and Checklist for Starting a Food Manufacturing Business in Tennessee

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## Introduction

Starting a food manufacturing business can seem like an overwhelming venture and people interested in developing a product often do not know where to start. This publication includes descriptions of technical assistance available to analyze and develop a food manufacturing business. It also includes a checklist to help farmers interested in manufacturing value-added farm products and other entrepreneurs interested in starting a food manufacturing business identify and track many of the steps involved in starting a business.

Categories of manufactured foods covered in this checklist include:

1. Non-potentially hazardous foods manufactured under Tennessee Cottage Food Law
2. Potentially hazardous and Time/Temperature Control for Safety (TCS) foods
3. Formulated acid foods
4. Acidified foods

These categories of manufactured foods include products like jams and jellies, baked goods, canned fruits and vegetables, pickled vegetables, salsas, frozen produce, processed or cut produce, juices, sauces and dressings, marinades, sauerkraut, elderberry syrup, pastas, dried herbs and more.<sup>1</sup> This fact sheet does not include information specific to livestock or meat processing; retail meat stores/butcher shops, beef jerky or other meat products; or dairy products such as fluid milk, cheese, ice cream, yogurt, etc. Regulations for these food categories are specialized and vary from the product categories included in this fact sheet.

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This publication is for educational purposes only and does not constitute legal advice nor is it intended to be a substitute for the services of a competent legal professional.

<sup>1</sup>To learn more about these categories of food, examples of each, and a summary of regulations for each, refer to *Starting a Food Manufacturing Business in Tennessee: Summary of Food Manufacturing Regulations and Resources* (PB 1899) online at [extension.tennessee.edu/publications/Documents/PB1899.pdf](http://extension.tennessee.edu/publications/Documents/PB1899.pdf).



## Technical Assistance Available

It may be encouraging to know there are resources available to provide information or assistance with various aspects associated with starting a food manufacturing business in Tennessee. There are additional resources and contacts with UT Extension's Center for Profitable Agriculture (CPA) and Department of Food Science (FS), the Tennessee Department of Agriculture (TDA) and the Tennessee Small Business Development Center (TSBDC). The checklist in the next section includes links to additional resources for specific tasks not listed here.

For the *business and market planning and business management* related aspects of starting a food manufacturing enterprise, the Center for Profitable Agriculture and Tennessee Small Business Development Center may offer some helpful resources and assistance.

- The Center for Profitable Agriculture offers educational publications, trainings and individual technical assistance for farmers interested in adding value to farm products. Learn more at [cpa.tennessee.edu](http://cpa.tennessee.edu).
- The Tennessee Small Business Development Center offers business resources, training and advising. Learn more at [www.tsbdc.org/](http://www.tsbdc.org/).

For technical assistance with *food manufacturing and food safety considerations* such as scaling up a recipe, testing shelf-life, sensory evaluation, food safety training (Better Process Control School, HACCP), recall plan assistance, process authority, nutrition facts panels, label claims/allergen notifications, etc., the University of Tennessee's Department of Food Science can provide information and/or help.

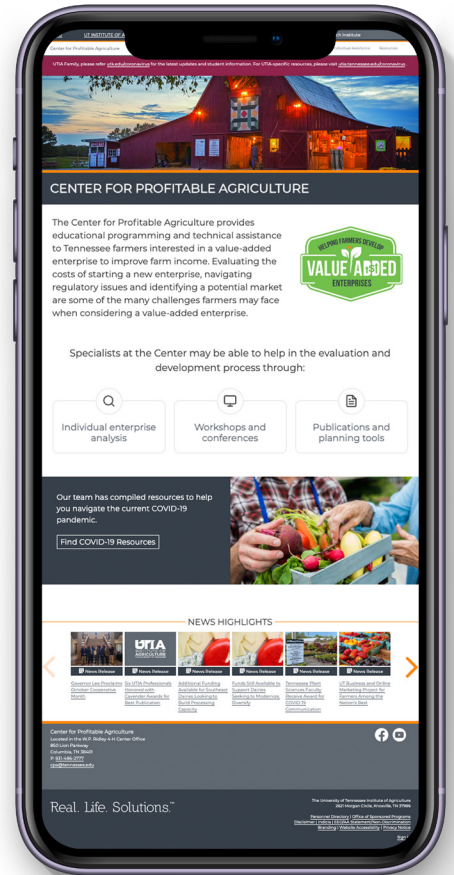
- Find Food Science Extension resources and trainings online at [foodscience.tennessee.edu/food-science-extension/](http://foodscience.tennessee.edu/food-science-extension/) or contact the Department of Food Science Extension at [Foodsci\\_ext@utk.edu](mailto:Foodsci_ext@utk.edu).

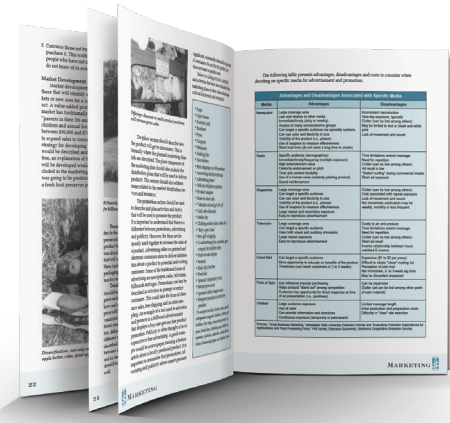
For assistance in determining which *food manufacturing regulations* apply to your product and obtaining a Tennessee Department of Agriculture food manufacturing license, the Tennessee Department of Agriculture Consumer and Industry Services Division staff would be most helpful. UT Extension also has several publications available online discussing regulations for various types of products (see above websites).

- Check resources available from the Tennessee Department of Agriculture Consumer and Industry Services Division [www.tn.gov/agriculture/departement/cis-thedept\\_rd.html](http://www.tn.gov/agriculture/departement/cis-thedept_rd.html) or call (615) 837-5193.

*Marketing and funding assistance* are available from the Tennessee Department of Agriculture Business Development Division through the Pick Tennessee Products program, contacts with grocery and restaurant buyers, international trade and funding programs such as the Specialty Crop Block Grant, Tennessee Agricultural Enhancement Program and Agricultural Enterprise Fund.

- Check out resources available from the Tennessee Department of Agriculture Business Development Division at [www.tn.gov/agriculture/departement/business-development-division.html](http://www.tn.gov/agriculture/departement/business-development-division.html).





## Starting a Food Manufacturing Business Checklist

The checklist below contains 36 items to help potential food manufacturers evaluate and develop a product and business in Tennessee. Some tasks may not apply to every entrepreneur, and the list may not be inclusive of all necessary tasks. The tasks are listed somewhat in chronological order; however, tasks may be completed simultaneously or in other sequences.

The first column allows users to cross off items that do not apply to their situation or check when completed. The second column describes each task. When available, links to additional resources are provided. The final column lists the technical assistance resource(s) most likely to be able to help with each task (CPA = Center for Profitable Agriculture; FS = UT Department of Food Science; TDA = Tennessee Department of Agriculture; TSBDC = Tennessee Small Business Development Center).

CPA = Center for Profitable Agriculture FS = UT Department of Food Science  
 TDA = Tennessee Department of Agriculture TSBDC = Tennessee Small Business Development Center

Mark with <input type="checkbox"/> if not applicable or <input checked="" type="checkbox"/> when completed.	Tasks and Additional Resources	Technical Assistance Resource
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	1. Assess your resources and write your mission statement and goals. <ul style="list-style-type: none"> <li>Building a Sustainable Business: <a href="http://www.sare.org/resources/building-a-sustainable-business/">www.sare.org/resources/building-a-sustainable-business/</a></li> <li>Starting a Small Business Training: <a href="http://www.tsbdc.org/">www.tsbdc.org/</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	2. Conduct market research and identify your target audience. <ul style="list-style-type: none"> <li>Building a Sustainable Business: <a href="http://www.sare.org/resources/building-a-sustainable-business/">www.sare.org/resources/building-a-sustainable-business/</a></li> <li>Marketing for the Value-Added Agricultural Enterprise (PB 1699): <a href="http://extension.tennessee.edu/publications/Documents/PB1699.pdf">extension.tennessee.edu/publications/Documents/PB1699.pdf</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	3. Identify and develop your product(s) – scale-up and test your recipe and test shelf-life.	FS
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	4. Investigate food manufacturing regulations. <ul style="list-style-type: none"> <li>Summary of Food Manufacturing Regulations (PB 1899): <a href="http://extension.tennessee.edu/publications/Documents/PB1899.pdf">extension.tennessee.edu/publications/Documents/PB1899.pdf</a></li> <li>Manufacturing Non-potentially Hazardous Foods for Sale in Tennessee Without a Permit (PB 1881) <a href="http://extension.tennessee.edu/publications/Documents/PB1881.pdf">extension.tennessee.edu/publications/Documents/PB1881.pdf</a></li> </ul>	TDA FS
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	5. Develop a written business plan. <ul style="list-style-type: none"> <li>Building a Sustainable Business: <a href="http://www.sare.org/resources/building-a-sustainable-business">www.sare.org/resources/building-a-sustainable-business</a></li> <li>AgPlan: <a href="http://agplan.umn.edu/">agplan.umn.edu/</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	6. Identify where your product will be produced (co-packer, home kitchen, leased commercial kitchen, new commercial kitchen, etc.). Contact the county planning or city zoning department to determine any zoning restrictions that may apply. <ul style="list-style-type: none"> <li>Summary of Food Manufacturing Regulations (PB 1899): <a href="http://extension.tennessee.edu/publications/Documents/PB1899.pdf">extension.tennessee.edu/publications/Documents/PB1899.pdf</a></li> </ul>	TDA FS
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	7. Seek out professional advice (legal and accounting) to choose the best business structure for your situation. <ul style="list-style-type: none"> <li>Farmers' Guide to Business Structures: <a href="http://www.sare.org/resources/farmers-guide-to-business-structures/">www.sare.org/resources/farmers-guide-to-business-structures/</a></li> <li>Are you Ready to Start a CSA? The Choice of Legal Structure for Community-Supported Agriculture (CSA) Operations in Tennessee (SP 787-C): <a href="http://extension.tennessee.edu/publications/Documents/SP787-C.pdf">extension.tennessee.edu/publications/Documents/SP787-C.pdf</a></li> </ul>	CPA TSBDC

Mark with <input checked="" type="checkbox"/> if not applicable or <input checked="" type="checkbox"/> when completed.	Tasks and Additional Resources	Technical Assistance Resource
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	8. Develop a written marketing plan. <ul style="list-style-type: none"> <li>Building a Sustainable Business: <a href="http://www.sare.org/resources/building-a-sustainable-business/">www.sare.org/resources/building-a-sustainable-business/</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	9. Choose your business name. <ul style="list-style-type: none"> <li>Check the state trademark search database to make sure the name you are considering is not protected by another business.: <a href="http://sharetn.gov.tnsosfiles.com/sos/bus_svc/TrademarkSearch.htm">sharetn.gov.tnsosfiles.com/sos/bus_svc/TrademarkSearch.htm</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	10. Fund your business. <ul style="list-style-type: none"> <li>Funding Opportunities: <a href="http://cpa.tennessee.edu/funding-opportunities/">cpa.tennessee.edu/funding-opportunities/</a></li> </ul>	CPA TSBDC TDA
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	11. Learn Current Good Manufacturing Practices and complete food safety training (Better Process Control School, HACCP Training, etc.). <ul style="list-style-type: none"> <li>Current Good Manufacturing Practices: <a href="http://www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/current-good-manufacturing-practices-cgmps-food-and-dietary-supplements">www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/current-good-manufacturing-practices-cgmps-food-and-dietary-supplements</a></li> <li>Better Process Control School (Required for acidified and low acid food products only.): <a href="http://foodscience.tennessee.edu/better-process-control-school-course/">foodscience.tennessee.edu/better-process-control-school-course/</a></li> </ul>	FS
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	12. Work with a processing authority to develop a scheduled process (for acidified foods such as salsa, hot sauce, pickles, etc.) and submit FDA Form 2541 e. This is only required for acidified foods. Baked or “dry” products that are shelf-stable should be tested for water activity to be sure they are shelf-stable and safe. UT Department of Food Science faculty often serve as processing authorities. Email <a href="mailto:foodsci_ext@utk.edu">foodsci_ext@utk.edu</a> for assistance.	FS
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	13. Apply for a food manufacturing license/permit with the Tennessee Department of Agriculture, if required. <ul style="list-style-type: none"> <li>Learn more about this process at <a href="http://www.tn.gov/agriculture/consumers/food-safety/ag-farms-food-manufacturing-and-warehousing/startup.html">www.tn.gov/agriculture/consumers/food-safety/ag-farms-food-manufacturing-and-warehousing/startup.html</a>.</li> </ul>	TDA
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	14. The Public Health Security and Bioterrorism Preparedness Response Act of 2002 also requires food manufacturing facilities to register with the FDA. This registration is separate from Form 2541 and may be completed online at <a href="http://www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/registration-food-facilities-and-other-submissions">www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/registration-food-facilities-and-other-submissions</a> . Some exemptions exist. Learn more at <a href="https://www.fda.gov/media/85043/download">https://www.fda.gov/media/85043/download</a> . Contact <a href="mailto:Foodsci_ext@utk.edu">Foodsci_ext@utk.edu</a> with questions. This registration requires a DUNS number which can be obtained here: <a href="http://www.dnb.com/duns-number.html">www.dnb.com/duns-number.html</a>	FS
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	15. For acidified foods, register the commercial food manufacturing facility by submitting FDA Form 2541 (electronic submission or paper submission is accepted). <ul style="list-style-type: none"> <li>Food and Drug Administration: <a href="http://www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/current-good-manufacturing-practices-cgmps-food-and-dietary-supplements">www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/current-good-manufacturing-practices-cgmps-food-and-dietary-supplements</a></li> </ul>	FS
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	16. Apply for a Federal Employer ID number at <a href="http://irs.gov">IRS.gov</a> if you are a sole proprietor and will open a business bank account or will have employees, or if you are some other type of business entity.	CPA TSBDC
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	17. If your business is a limited liability company (LLC) or corporation, register with Tennessee Secretary of State at <a href="http://tnbear.tn.gov">tnbear.tn.gov</a> to get a Certificate of Existence (Charter) and meet annual filing requirements.	CPA TSBDC
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	18. Open a business bank account.	CPA TSBDC
<input type="checkbox"/> N/A   <input checked="" type="checkbox"/> COMPLETED	19. Develop job descriptions, recruit and hire staff, if needed. Correctly determine whether individuals rendering services are employees or independent contractors at <a href="http://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee">www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee</a> .	CPA TSBDC

Mark with if not applicable or <input checked="" type="checkbox"/> when completed.	Tasks and Additional Resources	Technical Assistance Resource
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	20. If you have employees, submit a Report to Determine Status, Application for Employer Number (LB-0441) to Tennessee Department of Labor & Workforce Development at <a href="http://www.tn.gov/workforce/employers/tax-and-insurance-redirect/unemployment-insurance-tax.html">www.tn.gov/workforce/employers/tax-and-insurance-redirect/unemployment-insurance-tax.html</a> . Submitting this form will determine the status of your liability for unemployment insurance.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	21. Apply for a business license or a minimal activity license at your local county and city clerk tax office. <ul style="list-style-type: none"> <li>■ Business Licenses and Taxes for Tennessee Farms with Value-Added Enterprises (PB 1896): <a href="http://extension.tennessee.edu/publications/Documents/PB1896.pdf">extension.tennessee.edu/publications/Documents/PB1896.pdf</a></li> <li>■ Tennessee Department of Revenue: <a href="http://www.tn.gov/revenue/taxes/business-tax/registration-and-licensing.html">www.tn.gov/revenue/taxes/business-tax/registration-and-licensing.html</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	22. Register with Tennessee Department of Revenue at <a href="http://tntap.tn.gov/eservices">tntap.tn.gov/eservices</a> for sales and use tax, business tax and franchise and excise tax as needed. Registering for sales and use tax will enable you to get a resale authorization to buy items tax free. <ul style="list-style-type: none"> <li>■ Tennessee Department of Revenue: <a href="http://www.tn.gov/revenue/taxes/business-tax/registration-and-licensing.html">www.tn.gov/revenue/taxes/business-tax/registration-and-licensing.html</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	23. Create a bookkeeping system (including invoicing). With the help from your accountant, start your tax year and choose your accounting method. Determine estimated federal tax payments and begin making payments with IRS Form 1040- ES Estimated Tax for Individuals. Contact the county assessor's office to self-report and file for the Business Tangible Personal Property Tax.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	24. Consider insurance needs and purchase coverage. Consider general liability, food product liability, product recall, automobile insurance, commercial property insurance, workers compensation, etc.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	25. Identify potential market outlets and distribution plan.	CPA TDA
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	26. Evaluate software solutions and providers for inventory management, point-of-sale (POS) systems, e-Commerce, credit card processing, EBT, e-mail marketing, etc.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	27. Develop and practice your recall plan. <ul style="list-style-type: none"> <li>■ Developing a Recall Plan: A Guide for Small Food Processing Facilities, University of Georgia Extension: <a href="http://extension.uga.edu/publications/detail.html?number=B1509">extension.uga.edu/publications/detail.html?number=B1509</a></li> </ul>	FS
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	28. Develop packaging and labeling. Consider whether nutritional labeling is needed if required for your business or desired by buyers. Also consider whether buyers may require UPC barcodes on packages. <ul style="list-style-type: none"> <li>■ Obtaining UPC Barcodes for Wholesale Sales: <a href="http://extension.tennessee.edu/publications/Documents/SP764.pdf">extension.tennessee.edu/publications/Documents/SP764.pdf</a></li> </ul>	FSD TDA CPA
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	29. Procure equipment, supplies and ingredients.	FS
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	30. Develop pricing strategies. <ul style="list-style-type: none"> <li>■ A General Guide for Pricing for Direct Farm Marketers and Value-Added Agriculture Entrepreneurs (PB 1803): <a href="http://extension.tennessee.edu/publications/Documents/PB1803.pdf">extension.tennessee.edu/publications/Documents/PB1803.pdf</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	31. Develop branding and promotional strategies and materials such as a logo, website, social media, e-mail marketing, point of purchase materials, press releases, and/or sampling plan.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	32. Apply for trademarks, if desired, for brand names, product names and/or logos. <ul style="list-style-type: none"> <li>■ Tennessee Secretary of State – Trademarks: <a href="http://sharetn.gov.tnsosfiles.com/sos/bus_svc/trademarks.htm">sharetn.gov.tnsosfiles.com/sos/bus_svc/trademarks.htm</a></li> </ul>	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	33. Develop inventory management system(s) for ingredients, supplies and finished products.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	34. Begin marketing/distributing/selling.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	35. Monitor and evaluate the market situation, marketing strategies, sales, revenue and expenses.	CPA TSBDC
<input type="checkbox"/> N/A <input checked="" type="checkbox"/> COMPLETED	36. Adjust business and marketing plans as needed based on the market situation; your marketing evaluation of sales, revenue and expenses; and your goals.	CPA TSBDC



## Summary

There are many steps to analyzing and developing a food manufacturing business in Tennessee, and potential entrepreneurs may not realize all that is involved. For others, the process may seem overwhelming. Fortunately, there are resources available to assist with many of these tasks. The discussion of technical assistance available and checklist included in this publication may help those interested in manufacturing foods decide whether to proceed with a business and, if so, navigate the steps necessary to develop and launch a successful product and business.



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