



Food Product Development Tips

The Texas Department of Agriculture (TDA) is proud to serve its members by providing tools and marketing power needed to be competitive in the food industry. For additional information about the GO TEXAN program and its resources, visit www.gotexan.org.

Keys for Getting Started:

1. **Create a Business Plan**
2. **Register with the State**
3. **Acquire Tax Vendor ID Number**
4. **Receive UPC Code**
5. **Research Trademarks**
6. **Obtain Health Permits**
7. **Test for Label Nutrient Content**
8. **Find a Co-Packer or Commercial Kitchen**
9. **Become a GO TEXAN Member**
10. **Apply for Grant Assistance**



1. **Create a Business Plan**

Business plans are an essential tool for starting or expanding a business. A business plan outlines the goals and objectives of your company; provides information about your product; researches your target market; and explores funds needed to keep your business growing.

The [Small Business Administration \(SBA\)](#) also provides support by giving examples of marketing plans, listing necessary permits and licenses, and also researching funding opportunities.

2. Register with the State

Check with your lawyer regarding whether your business is required to register its company name with the Texas Secretary of State. Before registering, you should research your name to make sure there is not another business entity with the same name. You can research names by calling (512) 463-5555. You can register your company name by downloading an application through the [Texas Secretary of State](#) and visiting [SOSDirect](#). For further assistance, call (512) 475-2755.

3. Acquire Tax Vendor ID Number and Relevant Tax Information

The [Texas Comptroller of Public Accounts](#) regulates all State Tax ID Numbers in Texas. A State Vendor Tax ID Number allows you to sell items as an individual, partnership, corporation or organization. Wholesalers, retailers, Internet and catalog sellers are eligible to apply for a sales tax permit. To apply, call the [Sales Tax Application Department](#) with the Texas Comptroller at (512) 463-3731 or [sign up online](#). Businesses may also apply for a [federal tax identification number](#) (also known as an employer identification number or EIN). An EIN is a number assigned solely to a business by the [Internal Revenue Service](#) (IRS). Federal tax identification numbers are used to identify a business and can be obtained [online](#). For questions regarding federal tax identification numbers, call the IRS at (800) 772-1213.

4. Receive a UPC Code

Universal Product Codes, or UPC codes, are used to scan products at retail outlets. All food products must have a UPC code to sell in the retail sector. You can register for a UPC code with the Uniform Code Council. For more information about the [Uniform Code Council](#) and registering your product for a UPC code, call (937) 435-3870 ext. 0 for customer service.

5. Research Trademarks

If you are interested in reserving the right to your company's name or logo, you can gather information by researching trademarks through the U.S. Patent and Trademark Office. For more information about the [U.S. Patent and Trademark Office](#), call (800) 786-9199.

6. Obtain Health Permits

Owners, operators, or agents in charge of domestic or foreign facilities that manufacture/process, pack, or hold food for consumption in the United States are required to register the facility with the federal [Food and Drug Administration](#) (FDA). FDA also regulates label requirements, and food producers must register all products with them. You can register your product by contacting [FDA](#) at (212) 655-5315.

Please note, the production of salsa and canned foods falls under two specific federal regulations ([CFR 113 and CFR 114](#)). To determine whether you must comply with these regulations, contact Dr. Al Wagner, Texas A&M University Extension (979-845-7023), for a product evaluation. If the evaluation classifies your product as an "acidified" or "low-acid canned" food, you must:

- 1) complete FDA forms [2541 and 2541a](#);
- 2) attend a Better Process Control School (Dr. Wagner conducts a class once per year at Texas A&M in College Station); and
- 3) follow critical limits for production of product established by Dr. Wagner or other process authority.

The sale or production of food must also be registered under state or local health ordinances. Contact the [Texas Department of State Health Services \(DSHS\)](#) to find out which licenses and food permits your food business will need to obtain.

Find more information about food permits on the [DSHS](#) website (<http://www.dshs.state.tx.us/fdlicense/>) or by calling (512) 834-6626. Businesses that include retail food stores, restaurants and mobile or roadside food vendors should consult with the DSHS [Food Establishment Group](#) or call (512) 834-6753. Businesses that include food manufacturers, food wholesalers, vended water manufacturers and food salvage establishments or brokers should consult with the DSHS [Foods Group](#) or call (512) 834-6670.

7. Test for Label Nutrient Content

All food products sold in retail outlets must contain [nutrient content information](#). Nutrient content information is tested by registered food labs. Listed below are food testing labs located in Texas that can test your products to ensure all nutrient label requirements are met:

[Dr. Al Wagner](#), Texas A&M University

Professor and Extension Food
Technologist
Department of Horticulture Sciences
College Station, Texas
(979) 845-7023

[Food Safety Net Services](#)
San Antonio, Texas 78216
(210) 384-3429

[Analytical Food Laboratories](#)
Grand Prairie, Texas
(972) 336-0336

[Pope Testing Laboratories](#)
Irving, Texas 75061
(972) 871-7188

8. Find a Co-Packer or Commercial Kitchen

Co-packers are used to help companies package and manufacture their products. For many companies, contracting with a reputable co-packer offers a viable business strategy reducing the physical labor and responsibilities of production, packaging and labeling. It also allows the company to concentrate on marketing, selling and developing distribution channels. For a list of current GO TEXAN co-packers, contact Wendy Womack at wendy.womack@texasagriculture.gov.

Commercial kitchens help prepare and cook products in mass quantities.

DSHS regulates some commercial kitchens in Texas. Others are regulated by local city ordinances. According to DSHS, any individual who manufactures and packages food for sale is required to be licensed as a food manufacturer.

Please note: With limited exceptions, food manufacturer requirements prohibit manufacturing in a home kitchen. Individuals who make products in their home are in potential violation of the Texas Food, Drug and Cosmetic Act, Texas Health and Safety Code, Chapter 431.

To gain your commercial kitchen or food manufacturers license, please contact the DSHS divisions below:

Commercial Kitchens: [Food Licensing Division](#), (512) 834-6626

Manufacturers: [Food Manufacturers Division](#), (512) 834-6670

Restaurants or Distributors: [Retail Foods Division](#), (512) 834-6753

9. Become a GO TEXAN Member

GO TEXAN proudly promotes the products, culture and communities that call Texas home. Put the power of GO TEXAN behind your business as a member of this comprehensive marketing program.

Membership is open to restaurants, retailers, growers, processors, manufacturers and other businesses that sell, make or use a wide variety of Texas products.

GO TEXAN benefits include:

- Use of the GO TEXAN mark to spotlight your Texas products on your labels, website, marketing, to brand special events, etc.
- Listings on the GO TEXAN website and publications
- Discounted rates to advertise and exhibit at tradeshow and festivals
- Showcasings of your products at GO TEXAN events such as the State Fair GO TEXAN store
- Participation in GO TEXAN promotions
- Access to the GO TEXAN infoletter with updates, news and opportunities

Application is attached to this email.

Have questions? Contact TDA's Marketing Division at (877) 99GOTEX. Find a listing of GO TEXAN events on [the calendar](#) on the GO TEXAN website.

10. Apply for Grant Assistance

Whether you are starting a new business, launching a new product or entering a new market, grants can be a good alternative funding source. When researching grants, take note of program requirements, such as matching funds and reporting periods. Some grants award funding directly to the business and producer, while others focus on scientific and food industry research.

Federal Grants available through the **U.S. Department of Agriculture** (USDA):

- [Value Added Producer Grants](#)
- [Sustainable Agriculture Research and Education \(SARE\) Grants](#)
- [Small Minority Producer Grants \(SMPG\)](#)
- [Small Business Innovation Research Grants \(SBIR\)](#)
- [Renewable Energy Systems and Energy Efficiency Improvements Grants and Guaranteed Loans](#)
- [Food Export Association's Branded Program](#)