

Food & Bev Manufacturing Guide



Set Up Your Business

Create a plan for the type of manufacturing business you will open. businessportal.sfgov.org/start/create-a-plan

Choose a business structure. LLCs, Corporations, and Limited Partnerships must register their structure with CA Secretary of State before registering locally. businessportal.sfgov.org/start/choose-a-structure

Apply for an Employer Identification Number (EIN), also known as a Federal Tax ID Number, from the IRS. This is used to identify your business and allows you to hire employees. If you are a sole proprietor without employees, you may choose to use your Social Security Number instead.

Register your business with the City through the Office of the Treasurer and Tax Collector (TTX). businessportal.sfgov.org/start/register-your-business

Choose and file a business name. File a Fictitious Business Name (FBN) Statement at the SF Office of the County Clerk if you will be using a name other than your given name, the names of your partners, or the officially registered name of your LLC or corporation. Research the name's availability in your county before filing. businessportal.sfgov.org/start/choose-a-name

Apply for a Seller's Permit from the CA State Board of Equalization in order to sell taxable goods in the state of California.

Obtain liability insurance for your business.

Obtain workers' compensation insurance if you will have employees.



Choose a Location

Choose one of three location options: Manufacturing at home (subject to cottage food laws), in a commercial kitchen, or in your own space.

NOTE If you prefer not to take on your own kitchen, you may also choose to use a co-packer – an established food company that processes and packages your product according to your specifications.

If manufacturing at home, you must follow California Homemade Food Act regulations including restrictions on gross sales, type of food, and employees. businessportal.sfgov.org/start/location-options

NOTE The California Homemade Food Act (also called the Cottage Food Act) is open to the following types of businesses:

- Businesses producing “non-potentially hazardous” foods (eg. foods that do not require refrigeration)
- Businesses making under \$50K in annual gross sales
- Businesses with no more than one full-time employee outside the immediate family

NOTE There are two classes of homemade food producers. The class you fall under determines who inspects your home kitchen. Regardless of your class, you must attend a food processing course.

- Class A (Direct sales): If you only sell directly to the consumer (without shipping), you may conduct your own health inspections
- Class B (Indirect sales): If you sell through a third-party retailer such as a market, bakery, or restaurant, your home kitchen must be inspected annually by the county health department. In SF, that would be the SF Department of Public Health

If searching for a commercial kitchen, be sure to consider cost, insurance, storage options, ingredients allowed, delivery rules, and hours.

If outfitting your own kitchen, find a location zoned for Production, Distribution, and Repair (PDR) use. This type of zoning code allows manufacturing and industrial uses with some on-site retail availability.

businessportal.sfgov.org/start/location-options

Visit the SF Planning Department's Planning Information Center at 1660 Mission St. and check out the SF Zoning Map online to understand zoning and building codes. These requirements will determine where you open your manufacturing business. sf-planning.org

NOTE Taking over a space that already was used for your type of manufacturing saves time and construction costs, as long as the space had recently passed inspections and was in compliance with current requirements.

NOTE Consider common manufacturing needs such as loading docks, roll up doors, floor drains, and proper ventilation.

Sign your lease. Leases can be tricky, so review the lease carefully with a lawyer before signing.

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Prepare Your Space

New Construction: Submit plans and documents to the SF Department of Building Inspection. Change and resubmit plans as needed. businessportal.sfgov.org/start/location-options

Water & Wastewater Capacity Charge: If your business will use more water than the previous business or resident, you may have to pay a capacity charge to the SF Public Utilities Commission (PUC). This is especially common for food and beverage manufacturers. sfwater.org

NOTE Get an estimate of the water capacity charge from the PUC before you sign a lease. This fee can be high, especially if your location was not used for manufacturing before.

Fats, Oils, and Grease: Install approved grease-capture equipment (i.e. traps or interceptors) to prevent clogged pipes and sewer backups. sfwater.org

Gas & Electric Services: If your business needs new or additional gas or electric services, contact PG&E Building and Renovation Services to start the application process. pge.com

Signs: If you want to install or change a canopy or sign on the outside of the building, ensure you comply with the SF Planning Department sign guidelines. sf-planning.org

Transit Impact Development Fee: If your business will increase the number of people coming to your area, you may have to pay a Transit Impact Development Fee to the SF Municipal Transportation Agency (MTA). sfmta.com

NOTE Small businesses may be eligible for Transit Impact Development Fee waivers or reductions.

Registration of Food Facilities: Register your food facility with the US Food and Drug Administration (FDA). fda.gov



Food & Beverage

Obtain a Manager's Food Safety Certification for yourself and/or a designated employee. This person is responsible for teaching other employees proper food handling. sfdph.org

Ensure all employees have a Food Handler Card. The San Francisco Department of Public Health (SFDPH) offers a few options for obtaining this card.

Apply for the Processed Food Registration from the CA Department of Public Health (CDPH). This license is required to sell your goods to a retailer/wholesaler.

NOTE Most manufacturers wait to apply for this license until they go after their first retail account.

NOTE Your application may require a Hazard Analysis and Critical Control Points (HACCP) Plan which is monitored by the US Food and Drug Administration (FDA).

Don't serve any foods containing trans fats, per California State law. SFDPH enforces the trans fat compliance program to ensure that no food containing artificial trans fat is stored, distributed, served, or used in the preparation of any food. sfdph.org



What If...

If you will be manufacturing food at home you must apply for your Cottage Food Operation (CFO) Permit (if applicable) from SFDPH within 6-8 weeks of your planned open date. Your application will require Proof of Worker's Compensation Insurance, Proof of Food Safety Certification, and a Business Registration Certificate. cdph.ca.gov

If you will be manufacturing organic food, you must apply for the Food Manufacturing Organic Processed Product License from the CA Department of Public Health. cdph.ca.gov

If you will be shucking, repacking, or reshipping shellfish, you must apply for a Shellfish Handling and Marketing License from the CA Department of Public Health

If your product sales to retailers surpass \$50,000 in annual gross sales, the FDA requires that you conduct a nutritional analysis of your food or beverage. This includes determining the raw nutrient values of a given product and is necessary to create the nutrition facts label. fda.gov

NOTE Business that sell less than \$50,000 of product annually fall under the Small Business Nutrition Labeling Exemption. fda.gov

If you plan to hire employees, be sure to follow all wage and employment guidelines. businessportal.sfgov.org/start/hire-employees

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Labeling

Name your food accurately. This name, often called the "Statement of Identity," can be either the "common name" or a "fanciful name" of the food. It should be placed on the Principal Display Panel (PDP) – usually the front of the box or container.

Include a Nutrition Facts label on the information panel (the label panel adjacent and to the right of the PDP.) [fda.gov](https://www.fda.gov)

Declare the count, net weight, or volume of your product. This must be stated in both US (inches/pounds/fluid ounces) units and metric units (grams/liters). Eg. Net Wt. 8 oz. (226 g).

Packaged foods composed of two or more ingredients are required to include an ingredient list.

Identify the manufacturer, packer or distributor on your product label. This is considered the responsible firm and must include the firm's name, city, state, and zip code.

- ❑ **NOTE** Some businesses and products are exempt from nutrition labeling, including small businesses as defined by the Food and Drug Administration (FDA). Review the exemptions in the FDA's *Guidance for Industry: A Food Labeling Guide*. [fda.gov](https://www.fda.gov)

Identify allergens. All food labels must identify in plain language whether the food contains any of eight (8) major food allergens: milk, egg, fish (eg. bass, flounder, or cod), crustacean shellfish (eg. crab, lobster, or shrimp), tree nuts (eg. almonds, pecans, or walnuts), wheat, peanuts, and soybeans.

- ❑ **NOTE** While product dating is optional for most food products, there are two types to choose from:
 - **Open dating** is recommended for all foods that are readily perishable as it provides information in a conventional date format.
 - **Lot codes** on the other hand, provide information using letters, numbers, and symbols and are used by the manufacturer, rather than the consumer.

Potentially Hazardous Foods (PHF) must have the statement "Perishable Keep Refrigerated" on the label in a conspicuous location, normally on the PDP.

If a confectionery product contains alcohol in excess of ½ of one percent by weight, state that fact on the food label.

All beverages containing juice must declare the percent of total juice on the Information Panel and comply with Hazard Analysis and Critical Control Points (HACCP).

Cottage Food producers are required by the CA Department of Public Health (CDPH) to note on their food labels that the product was made or repackaged in a home kitchen. Be sure to follow all CA DPH labeling requirements. [cdph.ca.gov](https://www.cdph.ca.gov)

- ❑ **NOTE** Cottage Food Producers must also state the registration or permit number of the "Class A" or "Class B" cottage food operation which produced the cottage food product and, in the case of a "Class B" cottage food operation, the name of the county of the local enforcement agency that issued the permit number.

Labels for meat and poultry products that are being sold out of the state are reviewed by the US Department of Agriculture (USDA) Food Safety and Inspection Service. [fsis.usda.gov](https://www.fsis.usda.gov)

Raw meat and poultry products (e.g., fresh and frozen) including shell eggs must display safe handling instructions on their labels.

- ❑ **NOTE** Dietary supplements are regulated differently than conventional foods. Be sure to follow both Federal and State dietary supplement laws.

Obtain a barcode for each product if you will be selling to major retailers. GS1 US issues unique product codes (UPC) for a fee. [gs1us.org](https://www.gs1us.org)



After Opening

Post all required posters and permits including No Smoking signs, minimum wage information, health inspection results, written operational procedures, etc.

Mark your calendar. Schedule equipment maintenance and set reminders to renew your permits and licenses as needed.

Be prepared for city, state, and federal health inspections by checking walls, floors, and ceilings for damage; following best practices for food storage; collecting garbage; and ensuring workers have good hygiene.

Prepare and pay your local, state, and federal taxes. Learn more from these departments:

[sftreasurer.org](https://www.sftreasurer.org)
[sfassessor.org](https://www.sfassessor.org)
[ftb.ca.gov](https://www.ftb.ca.gov)
[irs.gov](https://www.irs.gov)



To speak with a business counselor
visit the Office of Small Business

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