

## **Co-Packing FAQ for Start-Ups and First-Timers**

***Q: I am thinking about starting a business and I need to know how much things will cost. Will you give me quotes for my six products that I want start with?***

A: We need to clarify two points here. First, we are a B2B enterprise. That means we only work with other legally formed businesses. If you don't have a FEIN for your business, we cannot work with you until you do. Second, we don't have the time to help you determine if you have a business opportunity or not. Organizations like SBA, SBDC and SCORE are where you should go for that kind of information. To determine if you have a viable business all you really need are ballpark estimates for your product(s); and not formal quotes from us. Those organizations will show you how it's done. You should come to us only when you are ready to actually buy inventory and you already have a detailed idea of what you want quoted and roughly in what price range it/they should be.

***Q: I have an existing or just registered my business. What do you need to know about my business?***

A: We need the name(s) of the owners and the people we will be working with if they are not the same as the owner(s). We need your Email, telephone number, business name, d.b.a., physical address and a FEIN number if you are just starting. We would also like to have your business site's URL (webpage). We need to verify with whom we are working. You can send all that information to us using our contact page. <http://www.blackriverspice.com/contact/>

***Q: Do you co-pack sauces and gravies?***

A: No, we only co-pack dried products like herbs, spices, seasonings, loose teas, herbals, rubs, sugar-based powders, small seeds (chia, flax etc.), small beans, lentils and some nuts. We do not co-pack any liquid products, pastes, gels or anything that contains water or oil. We also do not pack products that contain flour of any kind (wheat, rice, bean, etc.). We do not pack large nuts, chips, cookies or any bulky or easily broken food or pet food products.

***Q: If I give you a general idea of what kind of product I want to sell can you tell me what it costs?***

A: If it is only a "general" idea we will not be able to tell you what it will cost because there are still too many unknown variables. Besides, the less information you have about specifics the more inaccurate a GUESS would be. Simply put, "Garbage in, garbage out." We don't like to guess especially if you are looking for an immediate answer. To get a quote that we will stand by it is important that you provide as much detail as you can up front. For example, you need to consider the following details;

- What kind of container are you looking to use (jar, tin, cardboard cylinder, pouch, etc.)?
- How much product do you want in the container? This will help to determine the container size.
- What material of construction do you want? A glass or plastic jar, or maybe a foil or plastic pouch or an aluminum or paper cylinder.

- What container shape do you want? For example, tins come rectangular, round and tall or round and squat, square, oval, hinged, screw or press cap and all with or without a window. Other containers have similar variations.
- What product do you want in the container? A spice, an herb a seasoning? A family barbecue rub recipe? A tea or tea blend?
- What type and grade of product? Whole, cut, ground? Tellicherry peppercorn or Lampung peppercorn? Premium grade or standard grade?
- Do you want it to be certified organic, non-GMO, fair trade, or just plain?
- Is it a blend? Are we to use our recipe or yours?
- What kind of label do you want? Size, shape (rectangular, oval, round, other) and finish (matte, gloss, semi-gloss)? How complex is the artwork?
- What kind of cap do you want? Metal, plastic, color, dispensing or fitment?
- Do you want a foam pressure seal or foil induction seal over the mouth of the jar? Do you want a tamper-resistant band?
- What kind of pouch do you want? Stand-up, square bottomed, Quad-Sealed, Pillow? Kraft, rice paper, foil or recyclable? Does it need a window or not? Square or oval window? Pouch color?
- How many units do you want made and how many units per shipping box.

As you can see the price depends on what you want. The best thing to do is to buy examples of what you want your product(s) to look like and use them as models or starting points.

***Q: I am looking for a new co-packer for a product I am selling now. How do I find out if you can do it cheaper?***

A: We will need a sample of your product(s) to assess. You also need to tell us what you know about the ingredients used to make it or them. You may need to get spec sheets of the ingredients used in your product so we know what to use in our pricing structure. Don't tell us, "It has salt, sugar and cinnamon and that's it." All salts are not the same. All sugars are not the same. All cinnamon is not the same. You need to specify the exact kind of each and the grind for each because the costs are different. We also will need to know what a first order size would be and what you are currently paying per unit. Do not over-estimate your first order size; you will not get a price that is applicable to a smaller sized order.

***Q: Can you just give me a ballpark idea of the price?***

A: No. We have had people say, "*But you said it would cost...*" Besides, it is your job to generate a ballpark idea, not ours.

***Q: What is your minimum order?***

A: We stock many ingredients and several kinds of containers but we don't have everything available for packaging. Some containers and ingredient will need to be sourced. That being said, the minimum will depend on if we keep stock on the components/ingredients used to make your product. If we do, the minimum ***can*** be as low as 100 units per item. If we don't the minimum will be the minimum order amounts that we must buy of the "largest minimum" component. In other words, if your product is

made using A, B and C, and A is sold in minimums of 250 units, and B is sold in minimums of 500 units and C is sold in minimums of 1000 units and we have to source all three, your minimum is 1000 units of your product. We do not store the leftovers.

***Q: I sell or want to sell 12 different products. Will you tell me how much each will cost me?***

A: We get requests to price out 6, 10, 20 and even 40 different products and at times in different sizes for each! We are not in the free estimates business. We have orders to fulfill and customers that are waiting. We have little time to calculate dozens of estimates. We will price out at the most 2 or maybe possibly 3 different products if we have the time. That should be enough for you to decide if our pricing structure is within your budget limits or not. Besides, you should already have a decent idea of what the cost range is for each product so you can compare our quote to those estimates.

***Q: Isn't there any way that you will do the work for me and price all of my products to the penny even though I don't need that level of detail?***

A: OK, we will do it for \$250 per hour with a 1.5 hour minimum per product paid in advance.

***Q: How long will it take to get a price quote?***

A: We are constantly filling orders for our existing customers. They are the priority. It can take a 2-3 weeks if the product is complex, or if sourcing is very difficult or if we are very busy.

***Q: If I have a family recipe that I want to market. How do I protect my recipe but get a price quote to package it?***

A: If you have a proprietary blend, the first thing we will do is to put an NDA (Non-disclosure Agreement) in place. It is a contract between our company and yours and guarantees that we will not discuss any of your secrets with anyone else.

***Q: When I finally decide to move forward how do we proceed?***

A: First you will need to give us a deposit. Co-packing under private label is considered a special order. Special orders require a deposit of 50% up front. The balance plus all shipping costs are paid when your order is ready to ship and must be paid in full BEFORE we ship. You should know that if you pay by check we will wait until the check clears before we begin. Paying by direct deposit expedites the process. We require 15 business days to manufacture your product(s) starting from the day that all ingredients and components are delivered in-house. It might take longer if it is the busy season or it might take less time when we are less busy. In any case you need to be mindful of the timing when you first call us. You need to plan out your timing for your launch. That means if you want to launch in Spring for the barbecue season, you can't make your final decision to go forward three weeks before Memorial Day. We often get customers that mull over what to do for months and then we get a call from them to manufacture their product by next week. Just remember, most start-ups want to launch either for the Spring or for the holiday season; so, if that is when you want to launch your wait time will be longer rather than shorter.

***Q: I can keep my costs down if I import the ingredients and packaging from India myself and have them sent to you; all you have to do is assemble the product; is that a problem?***

A: Yes it is; we do not get involved with accepting ownership of uninspected imported cargo. Importers have their own set of headaches to contend with and we don't want them. We cannot get involved with customs issues or address the condition that cargo arrives (damaged, dirty, leaking, etc.). We don't want to be the ones to discover that there are 30 bags of ingredients that are in unusable condition. FDA does not allow the use of components/ingredients that have been exposed. They are considered to be "adulterated." If you want to import to your own ingredients and packaging, you must import to your location, check over the cargo for damage, remove all damaged boxes / bags and unusable goods and ship the rest to us. That is OK by us. Afterall, if you want to save money by importing from overseas then you should also accept the headaches involved in doing so.