

MINERAL POINT, WISCONSIN
U.S.A.

THE CIDER FARM

Creating a Product Using Co-Packers



August 25, 2015

Deirdre Birmingham

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BRANDY

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Our Mission: True Cider Apples

Fine wine isn't made from Table Grapes

 True Cider Apples = the wine grapes of apples

 Ten years experience producing these apples to make:

- Ciders
- Brandy

 We have both products made for us.



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Contract Packer

What is it anyway?



Manufactures and/or packages foods or other products for clients



Abbreviated to Co-Packer



Work under contract to manufacture food as though the product were made by the client.



Why Use a Co-Packer?



-  Capitol! = \$\$\$\$
-  Regulations!
-  Licensing
-  Expertise
-  Time



Why Use a Co-Packer



Capitol!



Expenses and lack of capitol for them
– biggest reason new businesses fail.



No need to:

- build facilities
- store inventory
- buy equipment
- pay for permits
- pay huge utility deposits
- hire processing employees

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Why Use a Co-Packer



Licensing and Regulations



Local, state, and/or federal

- can be complex
- another set of costs
- reporting = time



Solid waste and water disposal, sanitation. Inspections for these.



Handling and storing raw materials, finished products. Inspections.

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Why Use a Co-Packer



Regulations



Calculating wages and benefits for processing plant employees



OSHA and inspections



Workman's Compensation



Plant inspections

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Why Use a Co-Packer



Expertise



May take time and money to learn the craft and art.



Will you be as good?



Risk of hurting the brand with poor quality entry into the market place.



Bring more products to market.

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Why Use a Co-Packer



Time



Time = Money



Speed-up time to market



Takes time to raise capital,
learn regulations,
get licenses,
become an expert.



More time for marketing

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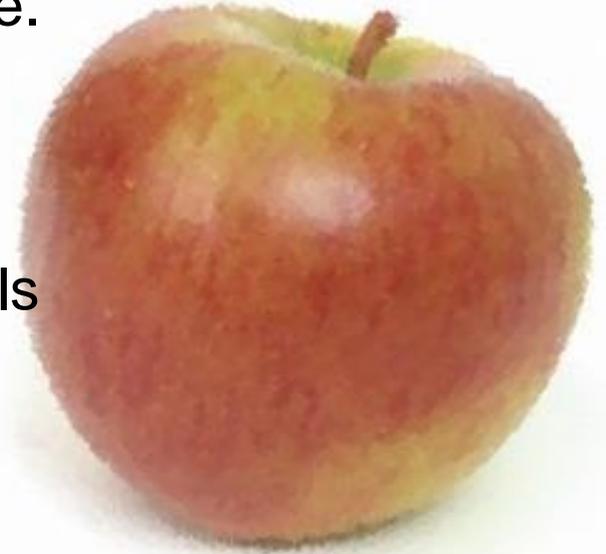
How to Choose a Co-Packer

- 🍏 Who is making a product similar to mine?
- 🍏 Who has excess capacity?
- 🍏 Who is making a similar product with a different seasonal market?
- 🍏 Does my product require specialized equipment:
 - to make the product?
 - to package it?



How to Choose a Co-Packer

- 🍏 Select as though selecting an employee.
- 🍏 Ask for a confidentiality agreement.
- 🍏 Ask specific questions:
 - manufacturing procedures, controls
 - input procurement
 - process management
 - safety programs
 - quality assurance
 - liability issues, insurance



How to Choose a Co-Packer

- 🍏 Ask to see inspection reports.
- 🍏 Ask about specific costs.
- 🍏 Their financial stability? Reputation?
- 🍏 Any other services they might provide?
- 🍏 Labor, environmental, energy concerns
- 🍏 How will waste and defects be handled?



Contracting with a Co-Packer

- 🍏 Not complex. Legally binding may not be necessary.
- 🍏 State the parties involved.
- 🍏 Quantity to be produced.
- 🍏 Quality to be produced.
- 🍏 Fee for service. Specify how determined.
- Timeframe to complete service.



Co-Packer Informational Resources

Food Processing Using a Co-Packer. By Rodney Holcomb. Robert M. Kerr Food & Agricultural Products Center. FAPC-106.

An Insider's Guide to Co-Manufacturing. By J. Peter Clark. Penn State University Extension.





For many,
craftsmanship
is
a relic from the
distant past.
But for the few that
still embrace it,
the rewards
are
immeasurable.

.....
Crafted without compromise.
.....

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