

A photograph of a worker in a white lab coat and cap, wearing blue gloves, handling large pieces of meat in a processing plant. The worker is wearing a white cap with the 'Stemmler's' logo. The background shows a clean, industrial setting with overhead lights and equipment.

Stemmler's

"Only the Best from our Family to Yours"

COPACKING 101

HOW TO MAKE MORE SALES AND FAST-TRACK YOUR
GROWTH WITH THE RIGHT CO-PACKER



INTRODUCTION

In the past several years, co-packing has become the key competitive advantage for thousands of farmers, food start-ups and small businesses who have successfully made the leap from small batch production to full-scale manufacturing. Today, co-packing is often the fastest and most reliable way to take your product from small batch production (or even just a recipe!) to full-scale manufacturing.

This isn't just my observation as someone who works in the meat manufacturing industry...although I have been watching it closely over the last 35+ years. The benefits of co-packing have been well recognized in meat processing and packaging for some time.

To give you an example, a recent survey of food and beverage companies by the logistics giant DHL International found that:

1. 85% of companies who invested in co-packing said it helped them “trim the fat” and reduce their operating costs significantly
2. 68% said that co-packing helped make their business more flexible
3. 68% also reported higher profit margins thanks to the decision to co-pack. [1]

How did they do it?

Simple: these companies found a reliable manufacturer who already had the equipment, materials, and skilled workers in place to turn their recipe into a quality finished product. When you partner with a co-packer like Stemmler's, you can make it happen too.

This guide will answer the most common questions business owners have when they're new to co-packing, including:

1. What is Co-Packing?
2. Who Should Work With a Co-Packer?
3. Why Consider Co-Packing?



1. What is Co-Packing?

What exactly is this 'co-packing' business all about? In many cases, the story goes something like this.

You've got an incredible idea - the perfectly pre-seasoned pork chop, a delectable new kind of deli roll, or maybe a killer kielbasa that's unlike anything you've tasted before. And instead of keeping it all to yourself, you want to turn this idea into a product that hungry buyers cannot resist.

Now, you could dive right in and start prepping, cooking and packaging all on your own in a small kitchen. For all we know it may be exactly how you're doing it. But that's the old-fashioned way of doing things and I have to tell you it's almost exactly how the Stemmlers started out back in 1985!

However, things have come a long way in this industry since then. Co-packing is, hands down, a far more reliable way to start or scale a meat business - even if all you have at this point is a great recipe.

In the food and beverage industry, a co-packer is a company that manufactures and packages products for other companies. Co-packing is the dominant term for this service in most of North America, but you might also hear co-packers referred to as contract packers, co-packagers, co-men or contract manufacturers.

What Can a Co-Packer Do For You?

Food Processing

Processing raw ingredients into finished product based on your recipe. Instead of sinking all your capital into pricey machines and facilities, you can have a co-packer manufacture your product in a safe, clean, legally compliant, health safe environment. You supply the recipe and packaging specifications, and the co-packer takes care of the rest.

Materials and Logistics

Co-packers can take care of sourcing quality ingredients, purchasing packaging materials, and even ship your finished product to stores filled with hungry buyers. This allows you to focus on marketing to the people who have a taste for your product, leaving the logistical headaches to the co-packer to execute on!

Test Runs

Producing a small test batch of product. Start-up companies and entrepreneurs with new, untested ideas can minimize the financial risk by having a co-packer produce a test run before going all-in.

Private Label Manufacturing

Want to put your name on a product that's already tried-and-true? Many co-packers are willing to produce a product using their own recipe for sale under your brand.

Packaging

Take back the time you spend bottling, wrapping, sealing, filling and boxing. A co-packer can take care of primary packaging (packaging that will be opened by end consumers) and secondary packaging (packaging assembled for shipping and marketing purposes.)



2. Who Should Work With a Co-Packer?

Thousands of food producers work with co-packers to get their products to market. In fact, a survey by the Specialty Food Association showed that a full third of food producers don't have their own manufacturing facility (and of those who do, 45% do co-packing for other producers!) [2]

Companies who partner with co-packers include:

- Established food producers who want to increase their capacity in order to fulfill larger orders, extend their lines or accommodate a surge in demand without taking on extra staff and equipment.
- Small business owners (including farmers) who aren't ready to invest in manufacturing assets and need an efficient, simple and low-risk way to bring their product to market.
- Food entrepreneurs and startups who wish to produce a small test run of a new product in order to validate the concept for wider production.

Whether you're just starting out or have an established business, co-packing can help you move your product from small batch production to full-scale manufacturing.



3. Why Consider Co-Packing?

With the right co-packer, you can save on your capital investment, manage your risk, source ingredients at the lowest possible cost, develop a viable product and have it shipped to the shelves of stores filled with hungry buyers.

Co-Packing Is the Easiest Way to Start or Scale

Co-packers have the facility, equipment and staff in place to produce your recipe to your exact specifications at a large scale. This enables you to quickly move more product to market without needing to hire more people or invest in highly specific, costly equipment.

Co-Packing Increases Your Flexibility

Outsourcing production to a co-packer liberates you and your staff to work on other aspects of your business. You'll have significantly more time to deal with retailers, run store demos, attend markets and more, all with the confidence of knowing your product is in good hands.

Co-Packing Lowers Risk and Boosts Margins

With little to no money tied up in equipment, facilities, labour or raw materials, co-packing allows you to really hit the ground running and start turning your brilliant recipe into profit.

Co packing is, without a doubt, one of the fastest and most reliable ways to start or scale a specialty food business!



4. What Does It Cost to Co-Pack?

This is a tough question to answer. Co-packers typically charge for their services in one of three ways: by the day, by the hour or by the quantity of units produced. However, the specific rate is often determined based on the *specific equipment and processes* you require.

You will also quickly discover that co-packers almost always add on additional fees above and beyond your basic daily, hourly or per-unit rate. This is an open secret in the industry...but unfortunately, it leaves many newcomers blindsided and over-budget.

At Stemmler's, we work together with you to decide on a rate that meets your specific needs while allowing us to operate as efficiently as possible. To talk about this, send an email to info@stemmlermeats.ca or call us at **(519) 699-4590**.



5. Where Can I Find Reliable Co-Packing Services?

Co-packing businesses fall into one of two categories:

1. Dedicated co-packing companies who only manufacture for clients and make all of their money through co-packing contracts. Co-packing is their bread-and-butter.
2. Manufacturers who co-pack in addition to producing their own product because they have the capacity. About 45% of specialty food companies who have their own manufacturing facilities co-pack as well .

Your first instinct may be to approach a company that is solely dedicated to manufacturing. However, there are many strong reasons you might consider working with a co-packer who is also in the business of selling a product of their own:

- **Specialized equipment and processes for a specific product category.** Take it from us - manufacturers who have a history in your category put more care into every process, ingredient and equipment they use. With over 36 years in the meat business, Stemmler's can offer efficiencies and expertise you simply won't find anywhere else!
- **Clean facility, dedicated quality assurance and a secure production floor.** Safety should be the top priority in any reliable co-packing operation. We wouldn't work with a co-packer who doesn't put their own products on the line, too.
- **Passion for food and a clear interest in your business's success.** To put it simply, no one understands your business better than someone who's actually been in your shoes. We know what it's like to start small here at Stemmler's, and so we truly believe in every product we manufacture in our facility or sell at our storefront.

Co-Packing With Stemmler's

With Stemmler's as your co-packer, you'll all reap the benefits of:

- 17,000 sq. ft. of clean space dedicated to meat processing and packing
- State-of-the-art meat processing equipment (Schröter, Bizerba, Inject Star) cleaned daily industrial, with sanitation bays at each process
- Top quality ingredients and packaging of your choice, sourced for you
- Reliable logistics team prepared to ship out your product on time
- Masterclass staff with 30+ years of experience in the meat processing industry

Our dedicated manufacturing facility in Waterloo, Ontario is currently equipped to pack:

- Cooked sausages
- Cooked snack sticks
- Smoked pork chops (smoked using REAL wood chips!)
- Blackforest ham
- Smoked or cooked turkey
- Chicken deli rolls
- Other meat products

Stemmler's is proud to offer flexible, reliable meat co-packing services to companies looking to produce their product more efficiently. Our 17,000 sq. ft. manufacturing facility uses only top-of-the-line, meticulously clean processing equipment imported straight from Germany. You can tell just by looking that they're a cut above the other machines on the market!

To learn more about co-packing and how it works, send an email to info@stemmlermeats.ca or call us at (519) 699-4590. We look forward to hearing from you!