



Research and Development

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Introduction:

Research and Development can have many stages. Coming up with a new product can be fun but take time. Appropriate monies need to be allotted to ensure the product is one that you can be proud to sell. During this process we may produce product that is not what you want in the end but may be marketable. We also may produce product that is not usable. We are dedicated to continuing to work until the product is what you are looking for. Below we have outlined some of the steps needed as well as the costs that may be associated.

1. Recipe development: \$77.25/hour. While we have many in house recipes we recognize you may want to design your own. \$77.25/hour will be charged for all time related to recipe development including working with seasoning suppliers and doing trial batches in our test kitchen.

- Please note that source material may change the flavor profile of an item (ie grain finished versus grass finished beef, bison versus beef, various breeds of hogs with different raising practices). It is therefore important to do a test batch with your source material.
- Products containing an allergen must be run under a special Allergen plan that requires additional sanitation above our normal standards which is also charged to the customer. We are happy to work with a recipe you have developed under a non-disclosure agreement.
- Time to secure ingredients for items we do not already stock will be charged.

2. Label Development: \$77.25/hour. A separate white paper covers many different labeling options. To get test batches out, an ingredient list will be used to develop a new label. Depending on the product type that might also require USDA submission which is a more time consuming process.

- Please note that labeling is governed by USDA regulations and therefore must be considered as part of the R&D process.
- We want it labeled just the way that you want it labeled and thus a new product requires a labeling conversation.

3. HACCP design: To be labeled as a USDA product we will need to have a HACCP (Hazard Analysis Critical Control Plan) in place prior to running an inspected batch. New products may need new HACCP plans. \$77.25/hour

4. Microbial Sampling: Testing may be needed for water activity or bacteria depending on the product type. Pricing subject to shipping and lab pricing.

5. Nutritional labeling: As a small manufacturer we are currently exempt from nutritional labeling requirements (Under \$10M in sales and under 100,000 lbs of any given product). We recognize you may want to offer this to your customer. The cost will be \$77.25 to fill out the necessary paperwork and \$77.25 for the label creation itself.

6. UPC codes: We can help obtain a UPC code for your retail needs. \$77.25 will be charged for the UPC itself. \$77.25/hour for creation will be charged.

7. Package Design: We are happy to help coordinate with a professional in packaging to best meet your needs.

- It is important to recognize that any package changes may require new processes and have an effect on the end product.
- Simply going from a small package to a bulk package may subject your product to R&D processes.

8. Sampling and surveying: Available for \$77.25/hour. We have a blind survey process run by our QA team.

By signing this agreement, you acknowledge that we are being asked to produce a product that does not have a standardized specification as of yet. We are thus working to complete the research and development phase as lined out above prior to guaranteeing the finished product is marketable. Please recognize that while your product is under a R&D phase, it is not guaranteed as a marketable product. We do our very best to turn out a product that is marketable as quickly as possible with as little expense as possible by utilizing our experience in the meat industry. Due to variables outside of our control, we must guarantee the process was followed but can not guarantee the end result until consistency has been established with the source meat material, packaging specifications, and labeling specifications.

Customer Name printed

TOFI Packinghouse Representative

Customer Name signed

TOFI Packinghouse Rep Signature

Date