



## Frequently Asked Questions & Guidelines For Sellers

Our goal is to be a valuable, reliable resource to buyers and sellers of excess food ingredients. We position ourselves as advocates for the needs of our customers bringing experience, advice, and an extensive worldwide network to acquire or sell needed ingredients in the best possible terms.

We have compiled a list of questions that we are asked frequently along with our responses. If you have a question we have not addressed, please contact us at your convenience at **314-872-8850**.



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## **1. I HAVE AN INGREDIENT THAT I NEED TO SELL. WHAT INFORMATION DO I NEED TO GET STARTED?**

To get started you should know what your goals are: what kind of price you are looking for, what volume you are wanting to sell, and what your timeline is. In addition we will ask for the following:

- **Product Description**
- **Manufacturer**
- **Packaging Type & Weight**
- **Date of Manufacture or Pack Date**
- **Shelf Life**
- **Location**
- **Why you are selling the ingredient**
- **Relay any issues with the ingredient**

## **2. HOW DO I RECOVER THE MOST MONEY FOR THE PRODUCT?**

Your job as a seller is to convince the buyers in the market of the quality of the product you have for sale. This would include the reason for selling the product, the history of the product, and the current condition of the product. It would also be advantageous to provide the following:

- **Manufacturers Paperwork**
- **Specification Sheets**
- **Certificates of Analysis**
- **Kosher or Halal Certifications**
- **Organic and NGMO Certifications**
- **EU Certifications**
- **Pictures of the Product**
- **Samples of the Product**



### **3. HOW MUCH MONEY CAN I EXPECT TO RECOVER?**

This is a hard question because each situation is different and depends on several factors:

- **You will recover more money for ingredients that are widely used, e.g. granular sugar, and you will recover much less, if anything at all, for custom ingredients, e.g. flavors.**
- **You will recover more for an ingredient that has a longer remaining shelf life.**
- **You will recover more if you can provide documentation, pictures and samples of the ingredient.**
- **The quantity and the location of the ingredient will impact the amount of money you can expect to recover. This is a logistics issue as the locations of the ingredients are not always near the buyers.**
- **The quality and condition of the ingredient will impact the amount recovered. You will recover more if the product is pristine. If the ingredient has an issue, e.g. warehouse damaged, off specification, dirty or dusty packaging, this will limit the amount recovered.**
- **The current market for the ingredient will impact how much you can recover. The current market relative to what you paid for that ingredient will either have a positive, a negative or no impact on the amount recovered.**
- **The second hand sales of Organic and Non-GMO ingredients are growing but they are still relatively rare as most buyers want to source these ingredients directly from the manufacturer. We will do our best to capture the Organic and or Non-GMO premiums; however you should not expect to recover these premiums.**

#### **4. WHO SETS THE PRICE FOR THE INGREDIENT I NEED TO SELL?**

The market and the seller dictate the price. We use a Bid Ask system to do price discovery. The Ask price is the lowest price a prospective seller is willing to accept, and the Bid price is the highest price a prospective buyer is willing to pay. Our goal is to match up the Bid and Ask to facilitate a transaction at a price that is acceptable to both parties.

#### **5. WHAT ARE THE PAYMENT TERMS?**

Our payment terms are set by industry standards. Following are the typical payment terms:

- **The payment terms for second hand ingredients are Net 30 Days**
- **The payment terms for cheese and dairy products are Net 10 Days**

The payment terms are negotiable, but it may impact the Bid price.

#### **6. WHO HANDLES THE LOGISTICS?**

We do, unless a buyer wants to make other arrangements. Our goal is to make it easy for you to do business with us.



#### **7. HOW DO I KNOW I WILL GET PAID?**

We will provide you with our standard bank and credit references. We also encourage you to pull a credit report from Experian, Equifax or Dun & Bradstreet. If you need more information to get comfortable with us, just ask. We want you to feel confident in doing business with us.

#### **8. WHAT PAPERWORK AM I RESPONSIBLE FOR?**

You will need to provide a copy of the Bill of Lading that is signed by the receiver. The Bill of Lading should clearly identify the piece count and net weight. The seller needs to provide all paperwork outlined in the Sales Confirmation, if not previously provided, e.g. Certificates of Analysis. Finally, the seller needs to mail or email an invoice to the Ingredient Exchange.

## **9. CAN I SELL PRODUCT NEARING ITS EXPIRATION DATE OR EXPIRED PRODUCT?**

Yes, however the closer the product is to the end of its shelf life, or if it is past its shelf life, it will limit the amount of money that can be recovered.

## **10. IF I HAVE AN INGREDIENT THAT IS NEARING THE END OF ITS SHELF LIFE, WHEN WOULD BE THE BEST TIME TO SELL THAT INGREDIENT?**

In general, the more shelf life an ingredient has remaining the more money you will recover.

The shelf life of an ingredient varies product to product, but in general we don't see severe discounts for products that have 90+ days of shelf life remaining. Discounts start to get more severe the closer the product is to the end of its shelf life. If the product is past its shelf life, expect on-edible pricing, if there is a non-edible market for your ingredient.

## **11. IS THERE A MINIMUM QUANTITY THAT YOU HANDLE?**

The total value of the product being offered has to be great enough to offer a significant discount to the buyer versus their normal supplier and cover the cost of the transaction. This can amount to pallets of high value product or a truckload of low value product.



## 12. WHAT INGREDIENTS DO YOU SELL?

The typical ingredients we sell are listed on our website at [www.ingexchange.com](http://www.ingexchange.com). If you have an ingredient not listed on our website, the Ingredient Exchange will use its can-do attitude and work ethic to do our best to sell your ingredient. We have sold a wide variety of goods, from personal care items to specialized enzymes.

## 13. HOW LONG DOES THIS PROCESS TAKE?

Again, it depends on the ingredient being offered and the expectations and needs of the Seller. At the request of the Seller, some ingredients are sold the same day they are offered. Conversely, complex and specialty ingredients or unrealistic expectations can drag out the sales process. Our longest sales cycle to date has been six months. In general, most deals take between 5 and 10 business days to reach an agreement.

## 14. WHAT IF MY PRODUCT IS EXPIRED OR CONTAMINATED?

We would classify a product as non-edible if it is contaminated, expired, or adulterated. Some examples would be burnt sugar, start-up/shut-down milk powder, moldy cheese, or missing seals on trucks or containers. We help companies keep non-edible ingredient out of the landfill or the incinerator and help them achieve their green goals by moving non-edible ingredients into non-food applications.



## 15. WHAT DO I NEED TO DO TO PROTECT MY COMPANY WHEN SELLING EXPIRED OR DAMAGED INGREDIENTS?

This can be accomplished in a number of ways:

- **The seller can label or stamp the packaging, "Not For Human Consumption."**
- **We put "Not For Human Consumption" on the purchase confirmation, sale confirmation, bill of lading, certificate of analysis and invoice.**
- **The seller can de-natured product with anise or food coloring. This needs to be disclosed prior to sale as not all buyers can deal with a flavor and or color in the ingredients they buy.**
- **We are transparent and provide the "Ship To" location to the seller.**
- **On very sensitive ingredients, the seller can provide an inspector to follow the truck and watch the product being used in the non-food application.**

## 16. WHAT IS THE ADVANTAGE OF SELLING THROUGH INGREDIENT EXCHANGE?

Our customers come to us for a number of reasons. The following are just a few:

- **Ingredient Availability**
- **Convenience**
- **Market Knowledge**
- **Active Inventory Management**
- **Cost Savings**
- **Risk Management**
- **Proven Track Record**
- **Quick Response**
- **Trusted Advisor**

Let us prove to you that the value Ingredient Exchange provides is worth much more than the price you receive!

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## 17. WHAT ARE MY RISKS?

Our objective is to take out all risk from any transaction. We believe in full disclosure of the details of the transaction and pass on all of the information we collect about the ingredient you want to sell on to our buyers. This eliminates surprises. We only encounter surprises when a relevant piece of information has not been communicated, so please let us know everything about the ingredient you are selling, even if you think it is minor!



## **18. WHAT ELSE IS IMPORTANT TO KNOW ABOUT SELLING INGREDIENTS?**

- **SCHEDULING:** Sellers often come to us a few days before the end of month (EOM) or end of year (EOY) wanting to clean up their inventory. Sellers should allow enough time for us to sell their ingredients and ship them. We generally recommend at least two weeks and allow even more time around the holidays as people are on vacation and transportation becomes a challenge.
- **TRACK RECORD:** Sellers would be well served to look at the track record and history of the companies they choose to do business with. Younger less established companies will typically not have the depth of resources or an extensive network that would offer more pricing options. Therefore, companies like Ingredient Exchange, with over 20 years of experience in the industry and their extensive network, will give sellers more options to choose from.
- **THE DEVIL'S IN THE DETAILS:** Pay exceptional attention to the details as we do. The intent of our discovery process is to uncover nuances of the product itself, why it is being sold, how it needs to be handled, packaged, stored, and other important aspects so as to avoid problems that could cause unintended consequences.
- **PRODUCT VERIFICATION:** Buyers want to know the history of where the product originated and how it became available. We call this the story. It is critical to understand why a product is being sold, where it has been, and how it has been maintained in order for you to get the most for the ingredient you are selling.