



# final report

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## Systems integration to build supply chain capability

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# Project P.PIP.0166- Systems Integration to Build Supply Chain Capability- Final Report

## 1. Background

This project was undertaken to gain efficiencies in the process of chiller assessing. To achieve this outcome it was proposed to fully integrate the MSA Carcase Grading and MSA Chiller Assessment system within the production software system.

This is the first stage in a series of projects the processor wishes to undertake which will involve the full integration of livestock procurement, inventory, MSA Chiller Assessment/Grading, and production software systems. A key outcome of this 1st stage is to install/enable systems which allow the automated/efficient capture of chiller assessment and grading data and is a prerequisite for progression of later projects which will allow significantly improved data analysis and reporting. The latter stages will provide the opportunity for the processor to examine/improve feedback to suppliers and operational staff by using the chiller assessment/grading data captured in the production software system. It is anticipated that provision of this data will support better alignment with customer/company specifications by operational staff and suppliers.

## 2. Objectives

The following objectives:

- Automation of the collection of carcass grading data.
- Improving marbling compliance and meat colour via improved feedback to producers and operational staff.<sup>1</sup>
- Integration of MSA/AUS-MEAT grading systems within the production software platform.

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<sup>1</sup> Note that this project forms the 1st stage of the full integration of MSA Chiller Assessment/Grading with inventory, livestock procurement and the production software systems. This completion of this stage means that data is now efficiently captured. This was a prerequisite for subsequent stages which will allow improved reporting and benchmarking of livestock suppliers against the collected data points. While this project has not enabled improved compliance to specifications, we anticipate that this will be a benefit of subsequent stages which are now possible as a result of completion of this first project.

### 3. Quantification of Benefits

The integration of MSA Grading into the production software system had the following benefits:

- Under the old system a chiller assessor could average approx 40 bodies per hour. With the integration into the production software system the chiller assessors can now average approx 60 bodies per hour.
- The dollar figure below is based on chiller assessors base wage per day. As you can see with the new system they can grade an extra 190 bodies per person per shift. At the same time reducing the cost to grade these bodies as MSA by \$0.16 per body.

<b><i>60 Bodies x 9.5 hours</i></b>	<b><i>570 Bodies</i></b>	<b><i>\$0.31/body</i></b>
<b><i>40 Bodies x 9.5 hours</i></b>	<b><i>380 Bodies</i></b>	<b><i>\$0.47/body</i></b>

- It allows for auto transfer of data and easier access to the information since the information being captured is simply an extension of the kill floor data from the same system. The site is anticipating that this will deliver significant benefits once the livestock production system is fully integrated with the inventory system (anticipated to be completed by January 2009).
- It reduced substantially the chance of error as only the chiller assessment data needs to be captured. While the site is unable to quantify the extent of this benefit, operational management reports have confirmed that error rates appear to have improved.
- Data is transferred immediately with location of RF units in the chillers and there is virtually no chance of data being lost as was the case with the previous system. The previous system involved the capture of data via hand held off line devices. Data was collected by operators and manually downloaded into the production software system. Following equipment malfunction, data would be lost requiring duplicate data to be captured by operators.
- The system allows for easy portability between carcass types ie MSA and Grain fed. As a result of system integration the processor is able to use MSA chiller assessment/grading parameters as determinants of other processor carcase grades.

- The integration improved the information systems for the site to access data in a timely manner. Offline data capture is now conducted on-line resulting in reduced errors and processing times.

## 4. Conclusion

The results of this project has allowed the processor to expand the system of MSA throughout all their factories and manage production on a daily basis. With the increasing production of MSA this integration has allowed the processor to expand without the need for extra chiller assessors. Given the current proportion of production which is chiller assessed, there has been a saving of at least one unit of labor in at one site and one labor unit at a second site which is an annual saving of approx \$100,000 per year including all on costs.

Further, as outlined above, this project sees the completion of the 1st stage of the broader consolidation of information capture and management systems within the processors supply chain. It is anticipated that these later stages will be able to maximise the value of the information now captured so that it is provided in a meaningful way which assists suppliers and operational staff improve decision making.