



# Transportation Supply, Demand and Distribution

Bill Schuler, President/CEO  
Castellini Company

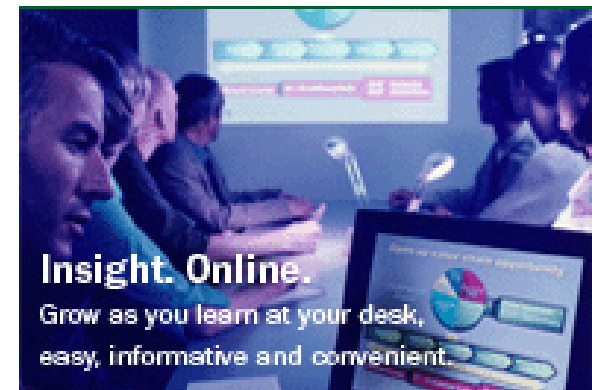
Produce  
Marketing  
Association

# What is PMA? Powerful networking



# What is PMA? Information & Solutions

- ❖ **Sharing successful strategies, innovation**
  - Conferences
  - Webinars
- ❖ **Working on industry needs**
  - International Council
  - Transportation Task Force
  - Packaging Council
  - Industry Technology & Standards Council
  - Floral Council



# PMA Transportation Task Force

- Vertically integrated
- Co-Chaired by Bud Floyd, C.H. Robinson Worldwide and Bill Schuler, Castellini Company
- Identified and analyzed transportation issues that are impacting the produce industry
- Acknowledged that produce industry can do little to influence the cost of operating a truck
- Identified best practices that will position produce as the “load of choice”



# Transportation Issues

- ❖ **Receiver and shipper issues**
  - Loading and unloading inefficiencies
  - Handling rejected product
- ❖ **Relationship building with carriers/drivers**
- ❖ **Inefficient distribution patterns; optimization of LTL**



# Driving blind

The produce supply chain's got serious kinks, but the biggest problem is that some players can't see past their own concerns.

Progressive Grocer  
June 1, 2006



# Key Finding

**It's not my fault!**



# Wait Times at Receiver Docks

<b>A problem?</b>				
	<b>Suppliers</b>	<b>Transportation Companies</b>	<b>Retail Produce</b>	<b>Retail Transportation</b>
<b>Often</b>	28%	30%	9%	7%
<b>Sometimes</b>	28%	48%	33%	33%
<b>Average reported Wait Time</b>				
<b>Mean</b>	3 hours	3.19 hours	1.28 hours	1.33 hours

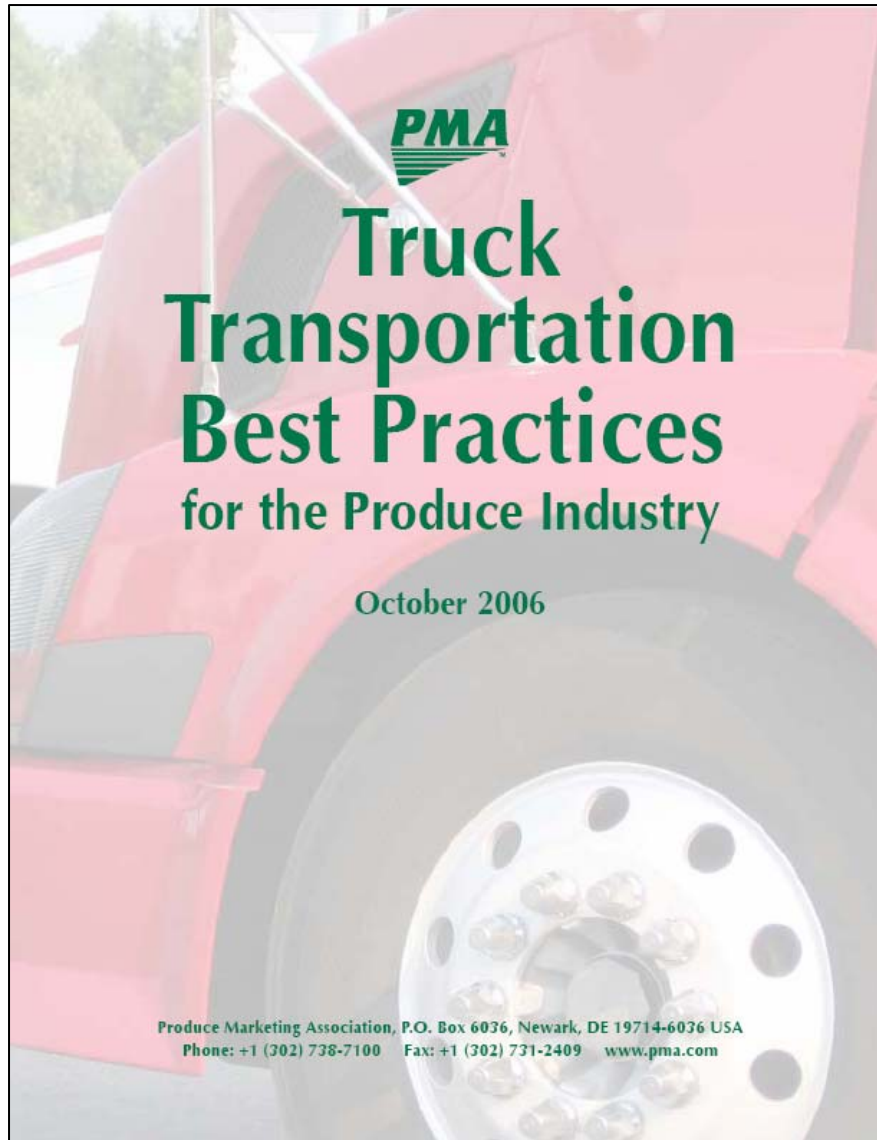




# Payment of Lumper Fees?

<b>A problem?</b>				
	<b>Suppliers</b>	<b>Transportation Companies</b>	<b>Retail Produce</b>	<b>Retail Transportation</b>
<b>Often</b>	<b>30%</b>	<b>14%</b>	<b>2%</b>	<b>0%</b>
<b>Sometimes</b>	<b>12%</b>	<b>20%</b>	<b>2%</b>	<b>0%</b>
<b>How costly?</b>				
<b>Very</b>	<b>33%</b>	<b>35%</b>	<b>0%</b>	<b>0%</b>
<b>Somewhat</b>	<b>20%</b>	<b>10%</b>	<b>67%</b>	<b>0%</b>





- ❖ **General Best Practices**
- ❖ **Receiver Best Practices**
- ❖ **Shipper Best Practices**
- ❖ **LTL Best Practices**
- ❖ **Case Studies**



# General Best Practices

- ❖ Approach issues and disputes from your business partners' perspective
- ❖ Collaborative sales and operational planning
- ❖ Adopt a communication plan
- ❖ Shippers and receivers negotiate pallet needs



# General Best Practices

- ❖ **Agree on service level metrics and expectations**
- ❖ **Treat drivers with respect and dignity**
- ❖ **Make sure bill of lading is complete**
- ❖ **Understand bioterrorism requirements**



# Receiver Best Practices

## ❖ Appointments and wait times

- Carriers contact receivers 2 hours before arrival
- Receivers contact carriers regarding unloading delays
- Adopt an appointment system with practical time window
- Keep elapsed time under 3 hours



# Receiver Best Practices

## ❖ Handling rejected product

- Minimize impact on carrier when not their fault
- 24-hour communication available
- Employ use of temperature recording devices
- Use digital cameras to document disputed product
- Positive relationships with inspectors

## ❖ Receiver is responsible for unloading truck unless prior arrangements made



# Shipper Best Practices

## ❖ Appointments and wait times

- Adopt an appointment system with practical time window
- Adopt communication plan
  - Carriers contact shippers 2 hours before arrival
  - Shippers contact carriers when there is a substantial delay
- Keep elapsed time under 3 hours
- Driver observes loading process



# LTL Best Practices

- ❖ **Receivers look for opportunities to consolidate loads**
- ❖ **Use load planning/building software**
- ❖ **Study potential for consolidation centers**





**THANK YOU!**

