Transportation
Supply, Demand and Distribution
Bill Schuler, President/CEO
Castellini Company
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

### A problem?

<table>
<thead>
<tr>
<th></th>
<th>Suppliers</th>
<th>Transportation Companies</th>
<th>Retail Produce</th>
<th>Retail Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Often</td>
<td>28%</td>
<td>30%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>28%</td>
<td>48%</td>
<td>33%</td>
<td>33%</td>
</tr>
</tbody>
</table>

### Average reported Wait Time

<table>
<thead>
<tr>
<th></th>
<th>Suppliers</th>
<th>Transportation Companies</th>
<th>Retail Produce</th>
<th>Retail Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3 hours</td>
<td>3.19 hours</td>
<td>1.28 hours</td>
<td>1.33 hours</td>
</tr>
</tbody>
</table>
## Payment of Lumper Fees?

### A problem?

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<th>Retail Produce</th>
<th>Retail Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Often</td>
<td>30%</td>
<td>14%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>12%</td>
<td>20%</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### How costly?

<table>
<thead>
<tr>
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<th>Retail Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very</td>
<td>33%</td>
<td>35%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Somewhat</td>
<td>20%</td>
<td>10%</td>
<td>67%</td>
<td>0%</td>
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</table>
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!