

Workflow: Packhouse Management

Toolkit 4.2

Pack Planning

target audience

Packhouse managers, operations managers, marketing leads, and supervisors.

what it is

This toolkit addresses key success factors of pack planning or providing packing instructions. Each packhouse will be somewhat different, but the key best practices are generally applicable.

Pack planning and providing packing instructions is the backbone of a packhouse operation. This is where the market demand and the orchard supply meet up and the packhouse plans how best to meet the market requirements with the produce they receive.

why it is important

The pack plan ensures that the right fruit, goes into the right carton, in the right way, labelled correctly, and clearly destined for the right market. Without a clear and meticulous plan and packing instructions that would not happen.

So much depends on the pack plan:

- Quality.
- Productivity.
- Efficiency.
- Waste and loss reduction.
- Optimal operating costs.
- Agility to change as contingencies demand.

success factors

- **The supply plan from the orchard** – The accuracy of the picking plan from the orchard, and then confirmed information regarding what is on its way, is important. The information should include:
 - Cultivar.

- Size.
 - Fruit quality.
 - % Class 2.
- **Weekly packing plan** – For the specific packing week a realistic volume to be packed needs to be planned, and the sizing and quality needs to be aligned with the orchard information received.
- **Firm commitment** - Only product for which a firm commitment exists (pack instruction or written email order) and where prices have been agreed upon should be packed.
- **A complete pack plan** - The pack plan should ideally be issued on the Friday for the next week, but this plan can be updated frequently as the fruit is received and the packing proceeds. All the necessary information should be on the pack plan that details the requirements for each pack:
- Type.
 - Quality of fruit.
 - Pack diagrams if required.
 - Packaging and wrapping (if required).
 - Label requirements.
 - Additional label requirements.
- **Flexibility** – It is important to understand the “flexibility” that exists for each packing program in terms of sizing so that you can react very quickly:
- For example: Oranges for Bangladesh are packed on 20 pallets of C72/88, if the C88 size is delivered quicker, then the whole 20 pallets can be filled with C88 or vice versa. This is agreed with each customer, and it becomes easier to anticipate what flexibility is tolerable as the trend becomes clear over the season(s).
 - The most difficult fruit to sell is usually the very large and very small fruit (GF: C28/32 & C55/60, OR: C36/40 & C125/144), and two things need to be considered:
 - Value chain/costing needs to be worked out to ensure that fruit can be placed at a price that still contributes above break even, and if not, they should be directed to juice processing.
 - Back up plans/programs need to be discussed if the above scenario exceeds the forecast.
 - If special requirements are triggered on the pack plan, for example Indonesia with specific testing requirements, this needs to be communicated immediately.
 - Contingencies need to be anticipated, e.g., if blackspot or other blemishes/problems make it onto the packing line, the SOP for each contingency must be in place.
- **Continuity** – Continuity is key, and where repeating packing programs can be maintained for longer periods, compliance, and efficiency increase. Shift handovers are critical to maintain continuity.
- **Review and communication** – A daily “pick & pack” meeting at the packhouse is important where the following are present (depending on how vertically integrated you are with production) to ensure alignment for the day.
- Farmers (fruit owners).

- Marketing.
- Operations Manager.
- Packhouse Manager.
- Logistics Manager.

The marketing team checks the packing tables based on the pack plan to ensure correctness of each pack.

A stock update should be confirmed up to 3 times per day to ensure that what is planned is actually being packed, and also to check orchard forecast with actual delivery.

- **Logistics and client focus** – Going the extra mile by thinking of the receiver of the packed pallets and how these will be loaded and delivered, e.g., packing specific pallets in 20 pallet batches, can generate additional returns.

execution steps

Covered in the success factors above.

assessment questions

Please Note: There is no minimum / maximum number of questions you can add.

1.	Is your pack plan based on reliable forecasts from the orchards and from the market?
2.	Do you generally pack based on confirmed demand (order and price)?
3.	Do you issue a "version 1" pack plan prior to the week ahead, and review and update it as often as necessary?
4.	Is all the information needed on your plan plans or packing instructions?
5.	Do you have the operational process to ensure the required flexibility to adapt to a variation of the plan?
6.	Do you have clear SOPs to deal with diseased or blemished fruit that makes it onto the pack line?
7.	Do you optimise continuity by running the largest batches possible?
8.	Do you hold daily "Pick and Pack" review meetings?
9.	Do you run several stock updates per day to ensure progress against plan?
10.	Does your pack plan optimise loading and routing efficiency?