

Workflow: Logistics

Toolkit 5.1

Logistics Overview

target audience

Packhouse managers, marketing managers, outbound logistics managers.

what it is

Logistics is the management of the flow of things between the point of origin and the point of consumption to meet the requirements of customers. In a citrus context it is the management of the flow of fruit from the orchard all the way to the end user.

Logistics, especially for fresh and perishable produce, is a complex process, involving the farm, the packhouse, transport providers, warehousing and cooling facilities, shipping, receiving at the end destination, and finally wholesalers and retailers.

Logistics relies on many areas of expertise and investment, such as logistics management expertise, sophisticated planning, technology, facilities, and infrastructure, and also depends on effective partnerships with third party service providers.

why it is important

As soon as fruit has been picked you are managing product shelf-life, and you are on a strict timeline to process (wash, sort, sanitise, wax), pack, palletize, load, transport and then ship. If the supply chain, whether upstream (well farmed product, packing material etc) or downstream (transport, the cold chain, port services, ships) of the packhouse fails, your risk and potential losses can be significant.

In South Africa, you are also challenged by “external” factors such as poorly maintained infrastructure (road and rail services), social and political difficulties, and poor municipal and state service provision. Furthermore, since 2019 and the Covid-19 pandemic, supply chains have been affected globally, directly impacting shipping and the efficient movement and delivery of goods. These external and environmental realities, make it even more important to plan and manage your logistics meticulously.

The logistics workflow, and its various toolkits, aims to ensure logistics good practice and, thereby, the mitigation of risk.

success factors

At an overview level, the most important success factors are listed below and are also addressed in greater detail in the separate toolkits that follow:

Integrated planning – An integrated demand (market and sales), operations, and supply plan in place, based on both passive (historic data) and active (current market data), that informs your logistics planning.

Process and data excellence – Risk and variability (unpredictability) are significantly reduced when you can base your logistical planning on reliable data and operational process. Process and data management best practice are two key areas of organisational competence.

Situational awareness – Planning is one thing but execution quite another, because conditions, supply volumes, process efficiency, downstream factors like transport, harbour services and shipping change. Situational awareness of all the moving parts and how changes impact your operations is a key success factor.

Process mapping and identifying waste and loss – It is well worth doing a comprehensive logistics process map, thereby gaining a full understanding of every component, action and interdependence, as well as pinpointing key areas of waste and loss. Given the importance of the logistics and the risks involved, such a process map and waste and loss analysis will pinpoint more complex and possibly systemic problems that require more comprehensive improvement initiatives. (See [Toolkit 13.2 – Identifying Key Losses and Identifying Improvement Projects](#)).

Inbound logistics management – Your ability to plan all the elements related to inbound logistics, including harvested produce, and required packing materials, accurately and manage these efficiently. (See [Toolkit 2.4 – Supply Planning](#)).

Warehouse and stock management – The efficiency with which you manage the whole warehousing function of the packhouse, including inventory and stock management, de-greening facilities, and packet pallet management. (See [Toolkit 5.3 – Warehouse and Stock Management](#), and [Toolkit 5.4 - Packet Pallet Management](#)).

Logistics and special market requirements – With increasingly diverse and discriminating market requirements, your logistics process (internal and external) needs to meet those demands (scheduling inbound produce, de-greening, packaging, labelling, special transport requirements, cold chain requirements etc)

Outbound logistics – Often, packhouses cease to concern themselves with the product once it leaves the packhouse. However, the successful movement and delivery of quality product to the end-consumer is critical. Outbound logistics includes transport management, container management, procuring services, port and harbour services, shipping and INCO terms, insurance, etc. (See [Toolkit 5.6 – Outbound Logistics](#)).

Outsourcing and contracting services – The complete logistics function relies on many external parties which are contracted to provide goods and services. The ability to procure and manage these services successfully is a key success factor. Sometimes, you may even be required to work closely with and develop the service provider to ensure that they meet required standards.

Maintaining cold chain requirements – Managing quality and phytosanitary risks is an ongoing and ever tougher challenge. Recently, more emphasis is being placed on the cold chain, including the much-debated cold sterilisation demands, which presents significant, logistical challenges. (See [Toolkit 5.7 – Cold Chain and Shipping at Required Temperatures](#)).

execution steps

See above.

assessment questions

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

1.	Do you have an integrated demand, operations and supply plan that reliably informs your logistics plans and decisions?
2.	Does your process and data management deliver accurate planning and forecasting and reduce unpredictability?
3.	Does your logistics planning allow for quick reaction to changing conditions?
4.	Have you identified the biggest risks, as well as areas of waste and loss, within your logistics process?
5.	Are your practices regarding inbound logistics, warehousing, inventory and stock, and packed pallet management well established and effective?
6.	Are your outbound logistics, including your collaboration with outsourced service providers, efficient and effective?
7.	Is your logistics management competitive in an increasingly discriminating and diverse market?
8.	Does your procurement and contracting of logistical services (incoming and outgoing), including the SLAs (service level agreement), meet your business and clients' requirements?
9.	Are your processes and practices related to maintaining the required cold chain requirements established and effective?
10.	Have you identified the more complex, stubborn, systemic problems within your logistics process, and have you initiated the necessary improvement projects?

resources

1.	Citrus Packhouse Module 9 – Logistics (Citrus Academy)
2.	Citrus Packhouse – Logistics (Citrus Academy)