

Workflow: Logistics

Toolkit 5.5

Managing Special Markets

target audience

Packhouse managers, marketing and sales.

what it is

Managing special markets refers to the ability to select, pack and deliver fruit to a variety of markets, each with its own, discreet, and specific requirements. These requirements and specifications could include, fruit size, colour, shape, treatment regimens (e.g., chemical, non-chemical), labelling requirements, packaging (e.g., wrapped), phytosanitary protocols, cold chain and chilling requirements, etc. This topic straddles the whole supply chain, beginning in the orchard with what and how the fruit is produced, sprayed, and picked, all the way through the packhouse selection, treatment and packing process, but here we are dealing with the topic as part of the logistics workstream since the whole process culminates with delivering on time, in full, and on specification.

why it is important

Competition in the citrus export marketplace is increasing for several reasons:

- Northern hemisphere producing countries are promoting increasingly onerous barriers to entry for southern hemisphere producers.
- Clients becoming increasingly discriminating regarding their preferences (varieties, colour, size).
- Technology, like optical readers and sorters, becoming increasingly sophisticated which allows clients to become more discerning.
- The risk of supply outstripping demand and market forces favouring a buyers' market.

Therefore, your ability to respond to various market and client demands (special markets) becomes imperative if you want to remain competitive.

success factors

The key success factors are:

- **Integrated planning** – A key success factor is the ability to forecast demand per market, and then plan and match the supply (orchard) and operational (packing) requirements to the demand as well as possible and, finally, resulting in delivering as promised. This ability will:
 - Align both production, packing, and marketing strategies to access special markets and then meet their requirements.
 - Increase competitiveness and the pricing of your product, i.e., premium markets equal premium products at premium prices.
 - Decrease variability/unpredictability and the need to redirect/change what is being packed and shipped, resulting in higher efficiency.
 - Reduce waste due to higher export pack out, better selection processes (more packable fruit on the line earlier in the process), and higher efficiency (labour and machinery).

The performance indicator is the variance between actual delivery and forecast.

- **Clarity on standards. Regulation, and compliance** – Knowing exactly what the standards and requirements are for every market, and any changes in these requirements from season to season.
- **Pack planning and operational best practice** – The efficiency and accuracy of your pack planning, that ensures that packing, labelling and coding are fully compliant.
- **Technology** – Increasingly the use of technology in the packing, labelling, and batching process is a key success factor. Manual, paper-based systems have limitations. Furthermore, technology for tracking the shipped product, and monitoring temperature and humidity in transit, are becoming standard best practice.
- **Quality control** – Your final quality inspections and control is an important success factor, including PPECB inspections at the loading stage and how efficiently this is resourced and managed, and how you manage non-compliant cartons, pallets, or batches.
- **Phytosanitary compliance** – Compliance to phytosanitary risk management protocols is probably the single mandatory factor when managing special markets. The process of managing phytosanitary compliance from orchard through to final shipping, is a key success factor. See the [Workflow 4 – Packhouse Management](#) and [Workflow 6 – Product Quality](#).
- **Feedback, data, information** – Feedback in the form of data and management information, both long and short interval control methods, provided by people and automatically by the system, is a key success factor. The quality and timing of feedback is of cardinal importance because this determines the quality and timeliness of the decisions you can make.
- **Problem-solving** – The ability of your teams, team leaders, and managers to solve problems in a structured manner and embed the solution as standard best practice is a key success factor. This applies to situational problem solving (one off, isolated, exceptional) and systemic (repeated failure and rework, trends, ongoing sub-optimal performance, persistently high costs/wastage).

execution steps

See success factors above.

assessment questions

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

1.	Do you know exactly what the standards and requirements are for each market and client?
2.	Do you have an integrated plan across the whole supply chain to meet these requirements?
3.	Do you operationalise these requirements through an accurate, agile, and effective pack plan?
4.	Is your phytosanitary compliance in place?
5.	Does your cold chain, its facilities, and its process, comply to market requirements?
6.	Are your data, feedback, and reporting systems effective and efficient?
7.	Have to analyse the more complex, systemic problems in your larger supply chain to special markets and addressed these problems?

resources

1.	Colour Prints for Blemish and Appearance Standards
2.	Citrus Harvesting Module 1 – Harvesting Supervision (Citrus Academy)
3.	Production Learning Material – Harvesting (Citrus Academy)