Production
Understanding Blended Suppliers

Envio's Blended Supplier Presort Procedure

Overview

This document covers procedures for creating Presort product and Packed product using the Blend Supplier option in Envio's Run production process. Even though "apple" was used in the examples of this document, many other commodities would have similar attributes and therefore could use the same procedures.

Receiving Raw Binned Product

The initial Supplier Receipt process will not change. When "raw" binned apples are received into your facility you may create one unique pallet tag for each bin of apples (i.e. a quantity of 1 bin at 720 lbs), or you may elect to create one unique pallet tag for the entire load of binned apples. (In this case you would enter the total number of bins on the load, such as 20 bins and the total weight associated with those bins. The total weight can be automatically calculated if preferred.) You will create a separate Supplier Receipt for each combination of supplier or grower load, block or orchard, location assigned to the raw binned apples, receipt date, and specific product. In this discussion we will assume raw apples are received in by variety-pack(for purposes of this example we will use Fuji-18BB as the raw binned product being received.)

Presort Procedure

Over the course of the day you may receive many loads of raw binned apples from many different suppliers or growers and at some point in time this product will go through a presort process. For this discussion we will identify presorted product as variety-grade-size-pack (or to build on the example used above we will use Fuji-FCY-2"-15BB as our presorted product.) When a bin of raw apples goes through the presort process many different presorted products may result, such as: Fuji-FCY-2"-15BB, Fuji-FCY-3"-15BB, Fuji-XFCY-2"-15BB, Fuji-XFCY-3"-15BB, etc. Additionally, when a specific supplier's product is presorted it may result in a partially full bin of presorted product. It is recommended that each supplier's raw product is kept separate when it goes through the presort process and if partially filled bins of presort product results, then simply enter the fractional quantity of the bin as well as weight. For example if the presort process results in a quarter or half-filled bin, enter a quantity of .25 or .50 of a bin of Fuji-FCY-2"-15BB, print a pallet tag and attach it to this bin. Go through this same consistent procedure for all suppliers so traceability is not jeopardized.

Envio's Run production procedure will be used for the presort process. You will create a new Run number and will select the specific supplier, along with the block or orchard, lot number, etc. Raw binned product will be dumped or allocated. (Using the example above Fuji-18BB product will be dumped into the run and then presorted resulting in various presorted full and partial binned product.) By creating separate runs for each unique combination of supplier, block, lot, etc., the

resulting presort product will keep its traceability and will make the reconciliation easier when the presorted product is subsequently packed, shipped and, if required, grower settlements are processed.

Before moving forward in this discussion, let's clarify how partial bins of presort product are handled. You may elect to maintain partial bins that are supplier specific; however, you may also elect to **mix** supplier product within a single bin in order to optimize bin usage and in anticipation of mixed supplier runs. For our example let's pack into a 15 bushel bin weighing 720 lbs when full. If supplier Jones only has enough Fuji-XFCY-2"-15BB apples to fill a bin 25% of capacity, then a pallet tag for Jones showing a quantity of .25 with a weight of 180 lbs (720*.25) would be created and attached to the partial bin. If the next production run were for supplier Smith and Smith also had Fuji-XFCY-2"-15BB apples (and you determine that you will be mixing these 2 growers during the regular packout), then these apples could be physically added to the partial bin. A pallet tag for Smith showing a quantity of .75 with a weight of 540 lbs (720*.75) would be created and attached (along with the Jones tag) to the now full bin. Later, when this bin is dumped to provide product for the packing process, Envio will be able to positively identify and track the contents within the Run.

To summarize, when presort product from more than one supplier is physically binned together, setting up separate presort Runs within Envio allows for the separation and tracking of each supplier's full and partial presorted binned product. Not only does this method provide the best possible means to maintain traceability, but the time invested to setup separate presort Runs for each supplier will result in time savings later when the pallet tags are dumped or allocated to the packout process.

Run Packout Procedure

In order to pack product that is produced from presorted product coming from multiple suppliers, we suggest setting up one new Supplier Trading Partner record that will be assigned as the supplier for all blended packed product. For example, you can set up a supplier called "Blended Supplier". Select this supplier as the Supplier in the General run tab. When setting up a new Run in Envio, there is a Blend Supplier check box selection that, if checked, will allow you to dump pallet tags from any supplier where the Commodity, Block and the element values on the tag match the entries in the Input Product Requirements selection. (For example, if Apple-Presort-Fuji-XFCY-2" (commodity-stage-variety-grade-size) is entered as the product input values, then only tags containing this element value combination will be available.) When a presorted bin is retrieved that has one or more supplier pallet tags physically attached, remove the tag(s) from bins that are being dumped into the run. These pallet tag numbers can then be entered into Envio under the Production>Run>Product Dump tab. You have the option of entering these dumped pallet tags before or after packed product is created.

By using the procedure outlined in this document, you will be able to see all of the individual suppliers, pallet tag numbers, presort date, block or orchard/field, lot #, location, weights, etc. for all presort product dumped into the production run. You

will have all of the details necessary to trace the presort product to its origin. As mentioned in the Presort Procedure section above, we have retained each tag's identity to the supplier, therefore you can see the weight and quantity, and can sum up each suppliers quantity and weight contribution to the packed product in order to calculate the amount due to each supplier for settlement. Click the Allocation tab in the run to see the percentages.

Settlement Procedure for Blended Product

When using the Blended Supplier option in Runs, you will need to use a Blended Supplier and all packed product will be assigned to that Blended Supplier. For settlement purposes the supplier(s) whose presorted binned product was dumped into the runs that are now being settled need to be identified and used for calculating settlements. There are a few ways to approach the settlement process and the way settlements are calculated will differ across the board.

The challenge is determining each supplier's contribution to the Runs in which presorted binned product is dumped or used. For example, if a particular run used four different suppliers' presorted product, then each supplier's contribution must be determined. How this contribution is determined and how detailed it should be may vary significantly among Packer-Shippers using Envio.

- Certainly, one way to go about it would be to look at the dumped product from each run, then look at the suppliers involved and calculate the total quantity or total weight that each supplier contributed to the total dumped quantity or weight for that run.
- Once the supplier percent contribution is calculated for a run, simply repeat this process for all runs using the blended supplier. The allocation tab offers each runs percentage of product by grower.
- A report can be created that can pull these totals together for a season total.
- Grower Accounting also does a nice job of showing the actual packed out product per grower. (This is an add-on module, talk to your sales representative for details and a demo.)

We suggest creating a spreadsheet that has the suppliers listed across the top (as columns) and the runs listed down the side (as rows), then simply enter each suppliers contribution percent for each run. Envio's Run Dump Detail inquiry will display every tag number, along with the supplier, Run it was dumped into, the dumped weight and quantity, etc. Like all inquiry grids this grid can be exported to Excel and then it becomes a simple process of adding a percent dump column to the spreadsheet so that you can calculate each supplier's contribution for each run.

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