

# MONASH INDUSTRY TEAM INITIATIVE (MITI)

## Regional Capacity Project & Milk Strategy (2019-20)

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### INTRODUCTION

#### COMPANY BACKGROUND

Lactalis Australia began with the original Pauls milk business in 1932 and is now owned and operated by the multinational Lactalis Group. Lactalis Australia works closely with approximately 500 Australian farmers to produce Pauls Milk, Ice Break Iced Coffee, Tamar Valley and Vaalia yoghurt and Oak and Breaka flavoured milk and many other brands and products.

#### PROJECT AIMS

The main objective of this project was to develop and implement a model that would allow the user to optimise milk movements from dairy region to factory site. A number of small projects were to be completed including the creation, improvement and implementation of a number of Excel based reports, applications and user interfaces.

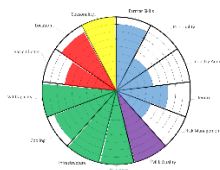
### OUTCOMES

#### MODEL DEVELOPMENT

The team researched and identified a number of 3<sup>rd</sup> party solution providers for supply chain modelling. Two companies were identified as having the technology that would best meet Lactalis' needs. A number of initial meetings were conducted and small data sets were provided for a demonstration model. Lactalis is currently discussing which provider to engage as well as future work.

#### FARM RATING MODEL

A model was created that rates individual farm desirability on characteristics such as milk quality, vat size and farmer skills and knowledge. This information is displayed on a radar chart for each farm and used to quantify which farms should be targeted to begin supply and those that should cease supply.



#### WEEKLY SITE PROCESSING RPEORT

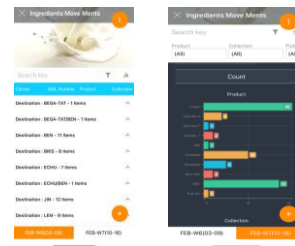
An Excel workbook was created where the user can copy and paste in weekly site data, click a button and a report is automatically generated on a new sheet. This report is sent to key business stakeholders on a weekly basis. It is used to identify where and when silo capacity has approached critical levels during the previous week.

### HIGHLIGHTS

- Gippsland and North Victoria farm visits and farm meeting
- Visiting the Strathmerton staging facility: waste water management system including worm farm and flood irrigation, participating in a milk collection tanker run
- Opportunity to put cups on a cow during milking
- Rowville site visit



### APPLICATIONS AND USER INTERFACES



A mobile app was created for the Milk Supply team to track ingredient movements more easily when they do not have access to their computers. Changes can be made on the app and will appear on the corresponding Excel sheets and vice versa.

A user interface was developed for tanker drivers to sign in upon arrival at factory sites. This will be used to manage demurrage, chain of responsibility and site safety.



### INGREDIENTS FORECASTING DASHBOARD

Ingredients volumes were previously forecasted on a monthly basis while actual volumes were available more frequently from the Milk Portal. These volumes were consolidated with the associated costs and a dashboard was created to analyse past data. It allows the user to drill down to the day of pick-up, thus facilitating more frequent forecasting.

### LEARNINGS

- Gaining insight into the complex Australian dairy industry from farm to consumer product
- Experiencing real world scenarios to build on knowledge learnt from idealised university situations
- Improving on team work skills to utilise each members strengths and compensate for weaknesses