

Keeping a close eye on the egg

Being able to trace every egg from its farm origin to the end user is becoming ever more important. Certifications, safety standards and the actual location of the egg in the supply chain must be known and accessible at all times. Smart ERP software by OVO-Vision gets rid of the constantly expanding paper trail and enables egg processors and packers to reap benefits far beyond the egg itself.

BY OVO-VISION

As OVO-Vision is the only ERP system designed by and for people with experience in the egg sector, it is capable of handling all the supply chain details.

If it works, don't change it, is a good description of the attitude held by many involved in the egg business. From farm to packing station and beyond, we have our own way of doing things and are quite conservative in terms of embracing new technologies," says Bart Spoelstra, finance and IT manager at Egga Food in the Netherlands. The company's origins date back to 1977. What started as a layer farm soon expanded with an egg packing station and eventually evolved into one of the largest, most modern egg processors in Europe. Nowadays, about half a billion eggs a year are boiled, painted or packaged as fresh table eggs in Ospel. "Of course our administration grew with

the business and market demands but essentially we were still reliant on handwritten notes and our trusted Excel files. It worked, but was laborious and not ideal."

Track and trace

Egga Food realised that its processes were less than optimum and started to explore ways to improve. "Every business reaches a point in time when you realise that you have to break with traditions, because times have changed. As we boil and peel the majority of our eggs, we cannot use egg stamps to track and trace them, something that hurt us quite a bit during the Dutch fipronil crisis. The illegal use of this medicine in layer houses to combat red mites and the subsequent residues found in eggs, led to the seizure and destruction of millions of eggs. That's when we realised that a system that could pinpoint every egg's exact origin and location in the process could have mitigated the impact on us. This would be beneficial too, in the event of other potential health hazards to the public. By not having detailed information, all suspect batches were destroyed or had to be destroyed as a precaution." The final push for OVO-Vision came after a computer hack of the existing IT infrastructure at Egga Food, halting all business. "Our industry is extremely capital intensive. Imagine not being able to send invoices or pay your farmers, that's disastrous."

Transparency

Spoelstra immediately acknowledges that the situation at Egga Food isn't representative when it comes to the implementation of the new ERP software. "However, we would have got there anyway. There's just too much information accompanying an egg nowadays. You need a good ERP platform. Gone are the days when there were simply cage eggs and no demands from supermarkets apart from a steady supply. Our egg stream consists of cage, aviary, free range and organic eggs. They are certified IKB, KAT, BIO, VLOG and BLK, to name just a few. Our customers demand a certain type of egg with a certain certification and we want to supply the right egg at the right time." Of course, analysis results for salmonella, for example, also need to accompany the egg. And it doesn't stop there. Spoelstra: "Our customers demand transparency because the end user wants that too. One of our clients wants to promote the eggs by having a picture of



PHOTO: EGGA FOOD

The origin and all information accompanying the batch of eggs is revealed with a simple scan.

the actual farmer on the box. This needs to be guaranteed, so we need to keep a close eye on every egg."

Optimisation

The software enabled Egga Food to optimise internal processes as well. As OVO-Vision is the only ERP system designed by and for people with experience in the egg sector, it is capable of handling all the supply chain details. "What makes the system really unique is that it incorporates information at flock level as well," says Spoelstra. He explains: "We are constantly balancing supply and demand in many categories, so we want to ensure we have the right egg in house to match our customers' demand, without having to resort to sending a more costly but downgraded egg to meet that demand. It used to happen that we had to deliver aviary eggs, but had only free range in stock. That's quite disrupting in a business where we operate with tenths of a cent margins". The software enables you to think ahead because it knows what egg stream may be expected from each flock. "This happens on the basis of flock breed standards and is then fine tuned with actual results on the basis of the number of eggs, weight, flock age, mortality and even feed parameters." Egga Food currently looks one week ahead with these details included, but on breed standard the system can make

projections one year ahead. "If you know what is coming, you know which orders you can fill with your own production and where you have to buy in externally. We also know in advance what our waste stream of eggs unsuitable for our processes will be, which we then sell to a breaker."

Implementation

With knowledge of the egg sector in the DNA of the people behind the software, implementation of the system is straightforward. Spoelstra: "It does require a change of mind set at our end of the supply chain. Asking farmers, drivers and processors to put away their pencil and clipboard can be a challenge. At the same time, all involved need to realise that accuracy is key. Garbage in is garbage out, so people really need to be on board before flicking the switch on the new system." Egga Food has observed that once everyone sees the benefits in time, efficiency and finance, they are on board. Spoelstra: "As with everything in our business, it all starts with the farmer, so they benefit, too. One part other systems hardly ever get right is that it incorporates farmer contracts with dynamic day-to-day egg prices and on the basis of laying date, not pick-up date. Egga Food wants to trade fairly and that also means that everyone sees a bottom line return. That's a tradition we will never change, we're all in it for the long run."



PHOTO: EGGA FOOD