



## **Leading Animal Nutrition Producer and Distributor Reduces Cost and Inefficiencies Through Pallet Conversion Program**

### **Challenge**

One of the nation's largest animal nutrition producer and distributors operates over 50 feed bagging mills across the country. Approximately five million tons of animal feed are produced by the Company each year and shipped directly from its mills to over 4,000 independent dealers. To transport merchandise, a specialty proprietary pallet was used.

In 2002-2003 the Company began converting its mills from manual to automated feed bagging systems. The specialty pallet the Company had previously used proved inefficient and costly in the new systems. Managers realized that a standardized, economical pallet would be necessary. The platform needed to be durable enough to support product, economical, and custom-designed to work with the new automated lines.

### **Solution**

IFCO's pallet management professionals evaluated the Company's operations and proposed switching to a 48x40 (GMA) wooden pallet. This specification was larger than the existing proprietary pallet's, allowing more product to be shipped per platform. The new size pallet worked well in the company's automated system and, because it was a commonly used size, the Company was able to ensure consistent supply. Additionally, its common size meant that it could be used throughout the supply chain.

IFCO SYSTEMS' nationwide infrastructure meant they were able to offer recycling services to all the Company's locations, saving on pallet return costs and recapturing the pallets' value by re-selling used pallets back to IFCO.

### **Results**

With the new pallet specification and pallet management system, the Company was able to reduce overall pallet costs, and improve efficiency at its mills. Management benefited from working with IFCO as well, consolidating to a single-source supplier for its entire US operations, and enjoying the ease of national account management and summary billing.