

case study

#5/2008

SUPPLY CHAIN MANAGEMENT

Electronic national vendor declaration (eDEC) at Nolan Meats

Key points

The use of e-business tools which comply with global trading standards provide a significant efficiency and information accuracy benefits to the livestock industry

The electronic livestock national vendor declaration (eDEC) system is based on the work that was completed for the development of the EANCOM message for MLA export projects, LPA eDEC program and other meat industry projects.

The livestock declarations (NVD, Waybill, MSA declaration) and commercial consignment information can be represented in the standard eDEC Despatch Advice message that is used for information related to consignments and commercial information transmission between businesses.

The benefits include:

- Lower cost of NVDs
- Reduction in labour for NVD preparation
- Reduction in labour for kill agenda preparation
- Reduction in labour at lairage
- Reduction in record keeping costs
- Less manual data entry errors
- Improved reconciliation between consignments and paperwork
- Increased traceability

This project demonstrates the benefits of e-business using internationally accepted standards.

Case study

This case study looks at how the electronic national vendor declaration (eDEC) system was used by Nolan Meats as part of their supply chain integration project.

Project coordinator Timothy Discher said "The GS1 system demonstrated the potential to significantly reduce the number of documents through combining National Vendor Declarations, Meat Standard Australia declarations and National Feedlot Accreditation Scheme declarations into one electronic format."

"It can also notify consignors of receipt of cattle electronically and send producer feedback. Once received the producer's system will automatically match the feedback details with the cattle details in their own system." Mr Discher explained.

Nolan Meats director Tony Nolan said with the advent of the National Livestock Identification Scheme (NLIS) producers were becoming more comfortable with electronic data and electronic data transfer.

"Producers are now asking for information to be transferred electronically and we are now transferring electronically between all areas of our supply chain, including feedlots, saleyards and customers," Mr Nolan said.

"I believe it's the way of the future. All data will be transferred electronically and it's just a matter a time before it all happens."

Yearly savings for Nolan Meats on time saved in cattle dispatch were estimated to be around \$65,000 with a return on investment in approximately two years.

Background

The eDEC system is based on the use of the GS1 system and specifically EANCOM messaging standards. There is no proprietary hardware or software. Any system vendor can develop solutions that are able to use the eDEC system. The eDEC system is a means to communicate between trading partners (producer to producer, producer to saleyard, producer to feedlot and producer/ feedlot/ saleyard to abattoir) using common standards.

The need for security has been addressed along with the regulatory requirements outlined in the various State and Commonwealth acts. At the simplest level the function of creating an eDEC electronic message is controlled by password.

How the eDEC works

The electronic Livestock Declaration (NVD, Waybill, MSA declaration and NFAS declarations) eDEC system works by recording the required declaration and commercial information by the consignor (sender).

The information is then sent electronically to the consignee. A duplicate declaration docket is generated and is signed by the consignor. The original is sent with the consignment and the duplicate is kept with the consignor.

Results

Cattle Dispatch & Receiving (for 100 head of cattle)

Task	Time Spent		\$
	Without GS1	Actual With GS1	Saved
1. Record induction of cattle with weights, vendor's NVDs, market access and drugs used for individual animals	(100 × 40 sec) 67 Mins	(100 × 30 sec) 50 Mins	\$20
2. Produce waybill, NVD, MSA, NFAS Declarations. Records kept & filed for required period	20 Mins (per lot)	5 Mins (per lot)	\$5
3. Reconcile load and acknowledge receipt	10 Mins (per lot)	5 Mins (per lot)	\$5

When the consignee (receiver) receives the cattle/ sheep they check it against the eDEC and if all is correct then generate a receipt message. This message is automatically emailed back to the consignor (sender).

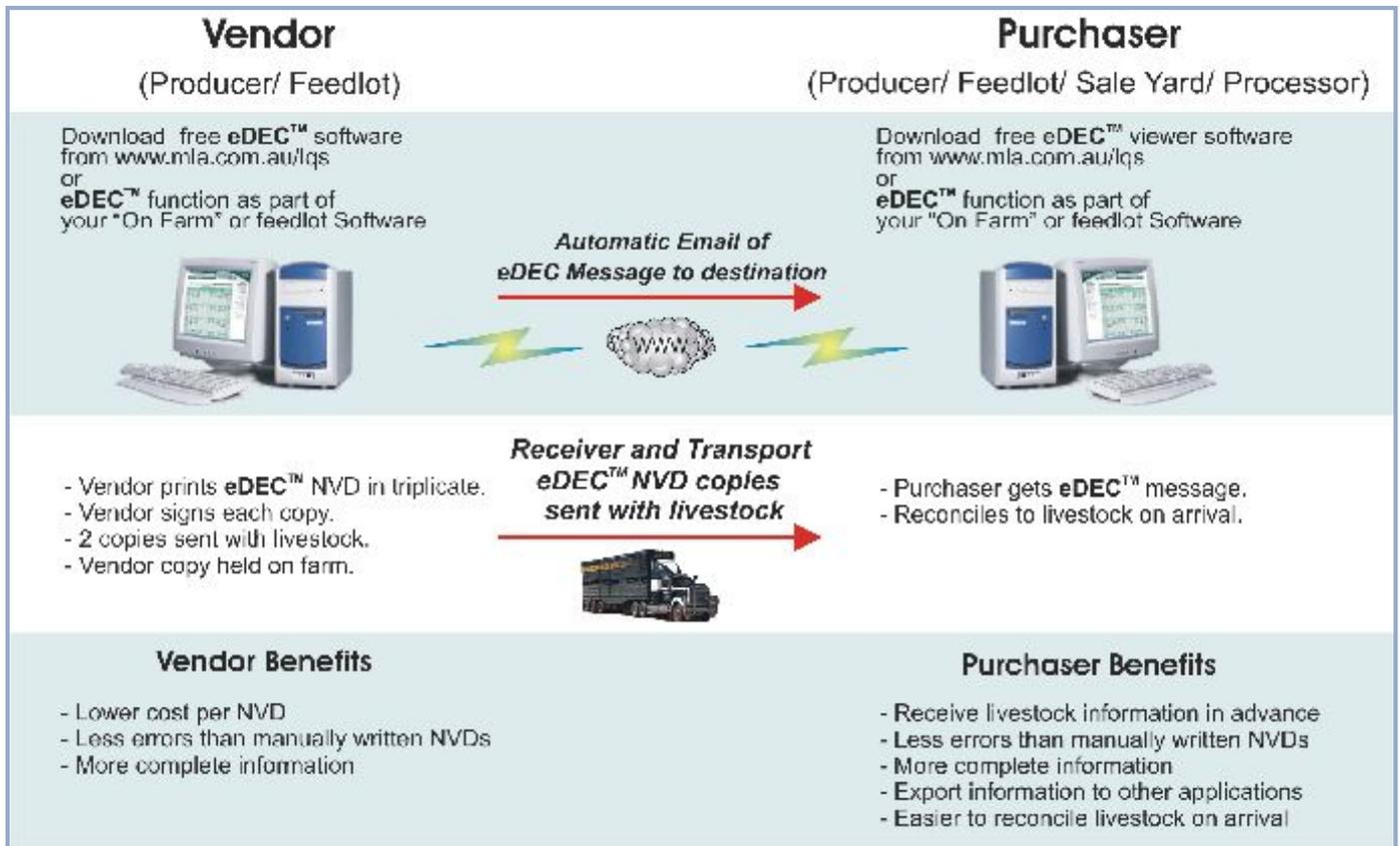
The eDEC system uses the GS1 / EANCOM Despatch Advice (eDEC) message for the consignment details and the GS1 / EANCOM Receiving Advice (eDEC) message for the proof of delivery.

For security purposes the function to create eDEC specific EANCOM Despatch Advice is password protected.

The Consigner (Sender)

The consigner (sender) can generate an eDEC message by a number of different methods, these are:

- The consigners system [your on farm cattle software], through password control, creates an eDEC message. The original and duplicate eDEC NVDs are printed and the message is then sent via email to the required consignee.
- Manually enter the consignment NVD details into the eDEC messaging creator tool and with password control create eDEC message. The original and duplicate eDEC NVDs are printed and the message is then sent via email to the required consignee.



The Consignee (receiver)

The consignee (receiver) receives emailed eDEC messages for each consignment. The emails have the eDEC message as an attachment. The eDEC message creator tool takes the email attached and creates a record of the consignment. A look a like NVD, MSA declaration, NFAS declaration and state waybills can be printed showing the details of the consignment. A series of reports can be printed showing the consignment details. These details can be matched to the physical consignment. The process of receiving and matching is as follows:

- The consignees system receives an eDEC message. The message is processed by the consignees system [Feedlot software, Abattoir System, etc] and necessary reports created. An eDEC Receiving Advice receipt message is created and then sent via email to the required consignor.

- Manually enter the details of the cattle received into the eDEC messaging creator this then matches the consignment of cattle details to a specific eDEC message.

Summary

To implement the eDEC system in your organisation, you need to:

- As a producer you will need to contact MLA (LQS) to obtain eDEC registration
- Either contact your on farm software vendors and ask about the eDEC NVDs, or
- Contact MLA (LQS) to obtain the eDEC software.
- As a processor you will need to contact your software vendor and ask about the eDEC

The eDEC messaging system is based on simple e-mail systems giving it a simple and universal interface while requiring very little bandwidth making suitable for communication with producers on dial-up lines.

For more information on utilising the GS1 system along the red meat supply chain please refer to the following documents available from MLA:

- *Guide to Information Standards – Numbering, bar coding and eMessaging for the Australian Red Meat Industry*
- *Australian Red Meat Industry Technical Fact Sheet – Variable Weight Carcase Label*
- *Australian Red Meat Industry Technical Fact Sheet – Variable Weight Carton Label*
- *Australian Red Meat Industry Technical Fact Sheet – Pallet Label*
- *Australian Red Meat Industry Technical Fact Sheet – the electronic Meat Transfer Certificate (eMTC)*
- *Australian Red Meat Industry Technical Fact Sheet – the electronic Messaging for Cattle and Sheep National Vendor Declaration (eDEC) System*
- *Australian Red Meat Industry supply chain information standards projects example cost benefits*

For more information

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