



SAP Solutions for the Dairy, Meat & Fish Industry

Global Trends



Global meat production has doubled between 1977 and 2001 and increased 5x over the last half-century. Moreover, **until 2030 it is expected to grow to a level 10x higher than 1950.**

Source: Food and Agriculture Organization (FAO) of the United Nations, UNwater.org

By 2050 the world population will **approach 10 billion people**. By 2022, the **population of India will surpass that of China**, and both countries will have over 1.4 billion people

Source: United Nations, World Population Prospects

Until 2050 **worldwide agricultural output needs to double** to feed the growing population and to meet the demand for higher-value foods.

Source: Food and Agriculture Organization (FAO) of the United Nations



Agricultural Production depends on **natural resources**: it uses 55% of non-forest land, 80% of total freshwater, 30% of fossil fuels. With growing population calling for a steep increase of global food production, to address food security, **existing agricultural practices need to become more sustainable.**

Sources: The Worldbank, Food and Agriculture Organization (FAO) of the United Nations

New Opportunities from Changing Demand: Consumers are increasingly willing to pay a **premium** for **ensured food traceability**, and **certified food quality and safety.**

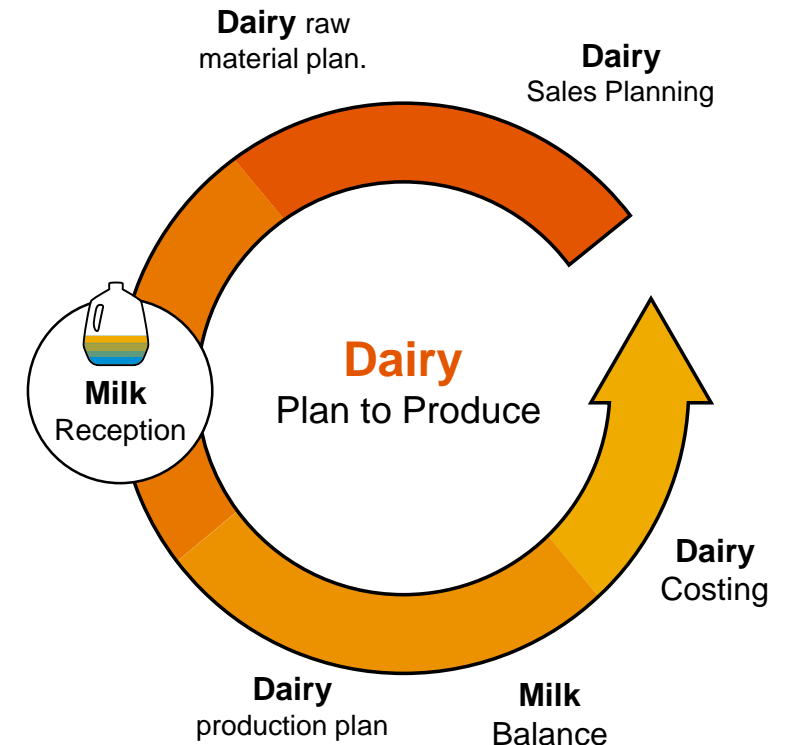
Source: European of Food Science and Technology

The food supply chain's banquet of risks: Product recalls, quality issues, tougher regulations, new industry standards, rising costs: The industry must adopt a "culture of quality".

Source: The Supply Chain Brain

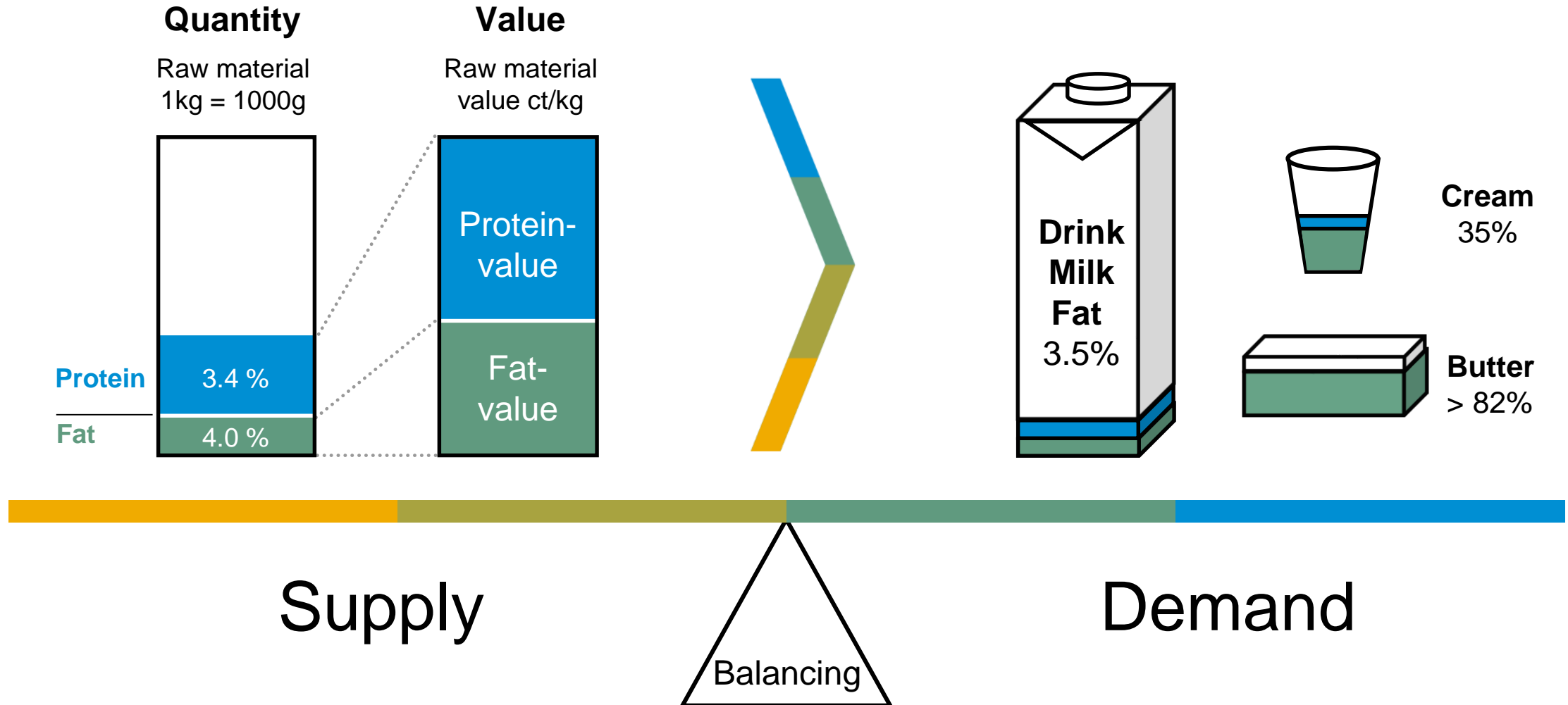
Top 10 Challenges in the Dairy Industry

1. Milk in a inhomogeneous product
2. Seasonal and regional supply variances
3. High volatile milk prices
4. Low margin business
5. Raw material is the biggest cost factor
6. Raw material efficiency is key
7. Subcomponents based planning
8. Analyze raw material loss
9. Accurate actual costing
10. Decoupled Business Processes

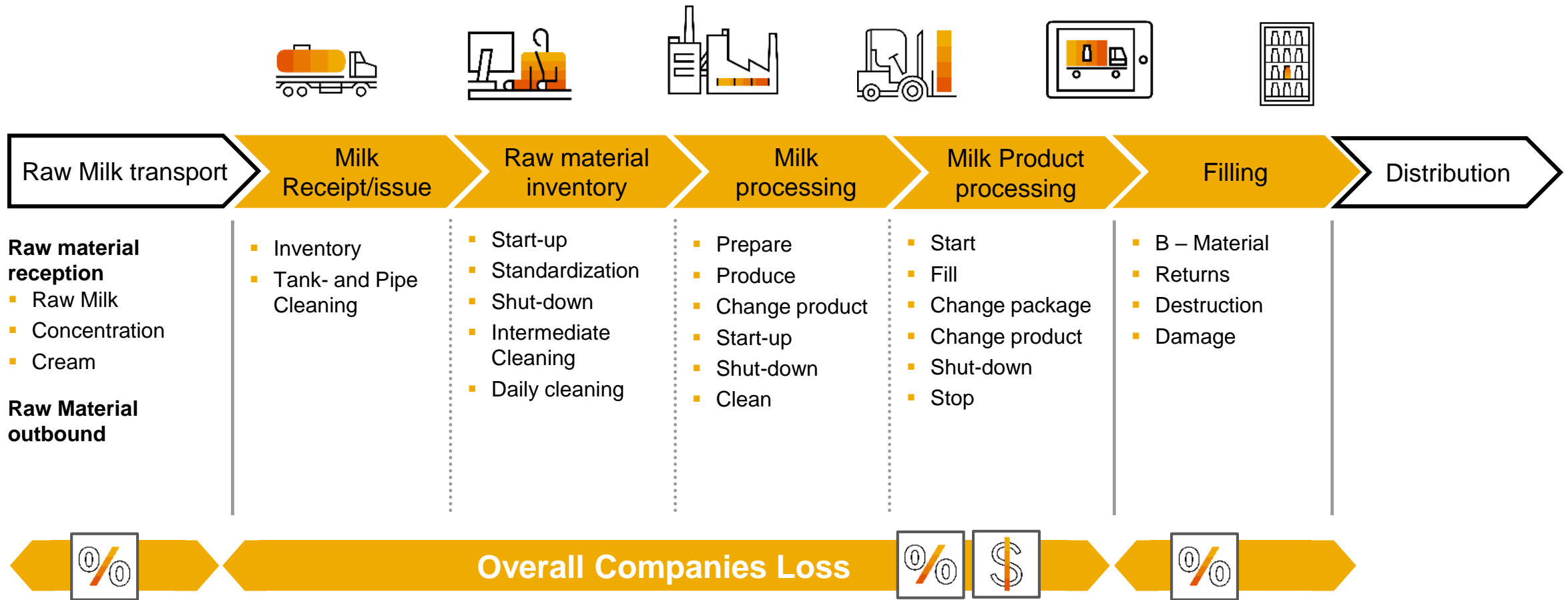


Ingredients / Components determine the value of the raw milk

Due to dairy specific requirements

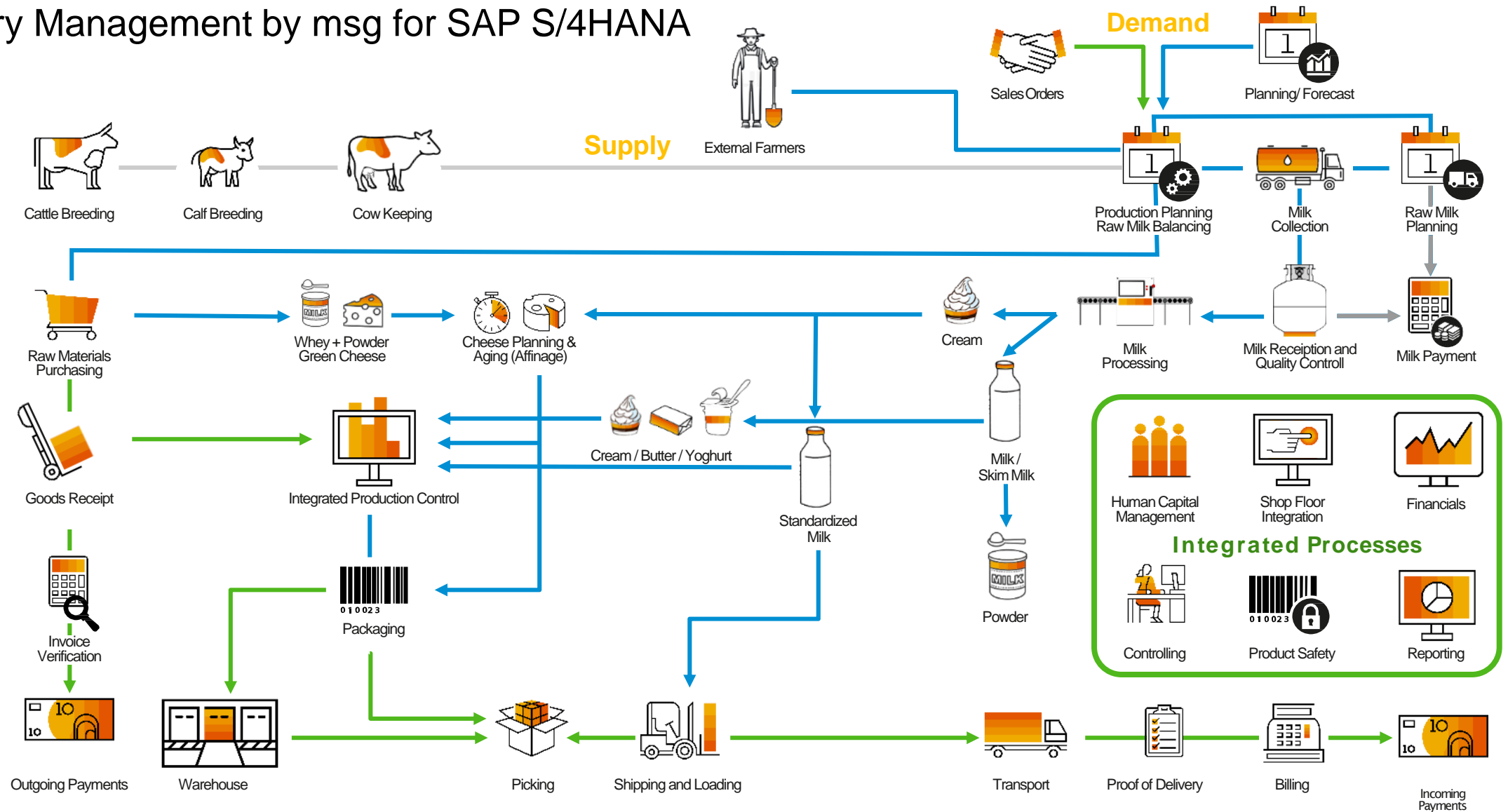


How to detect small figures with high value effects?



End-to-End Process Flow along the milk supply chain

SAP Dairy Management by msg for SAP S/4HANA



SAP Dairy Management by msg for SAP S/4HANA – Overview



Raw Material Planning



Production



Activity-Based Costing

SAP Dairy Management provides an end-to-end solution for Dairy & Cheese Planning and Operation & Costing that offers comprehensive functionality along the production processes

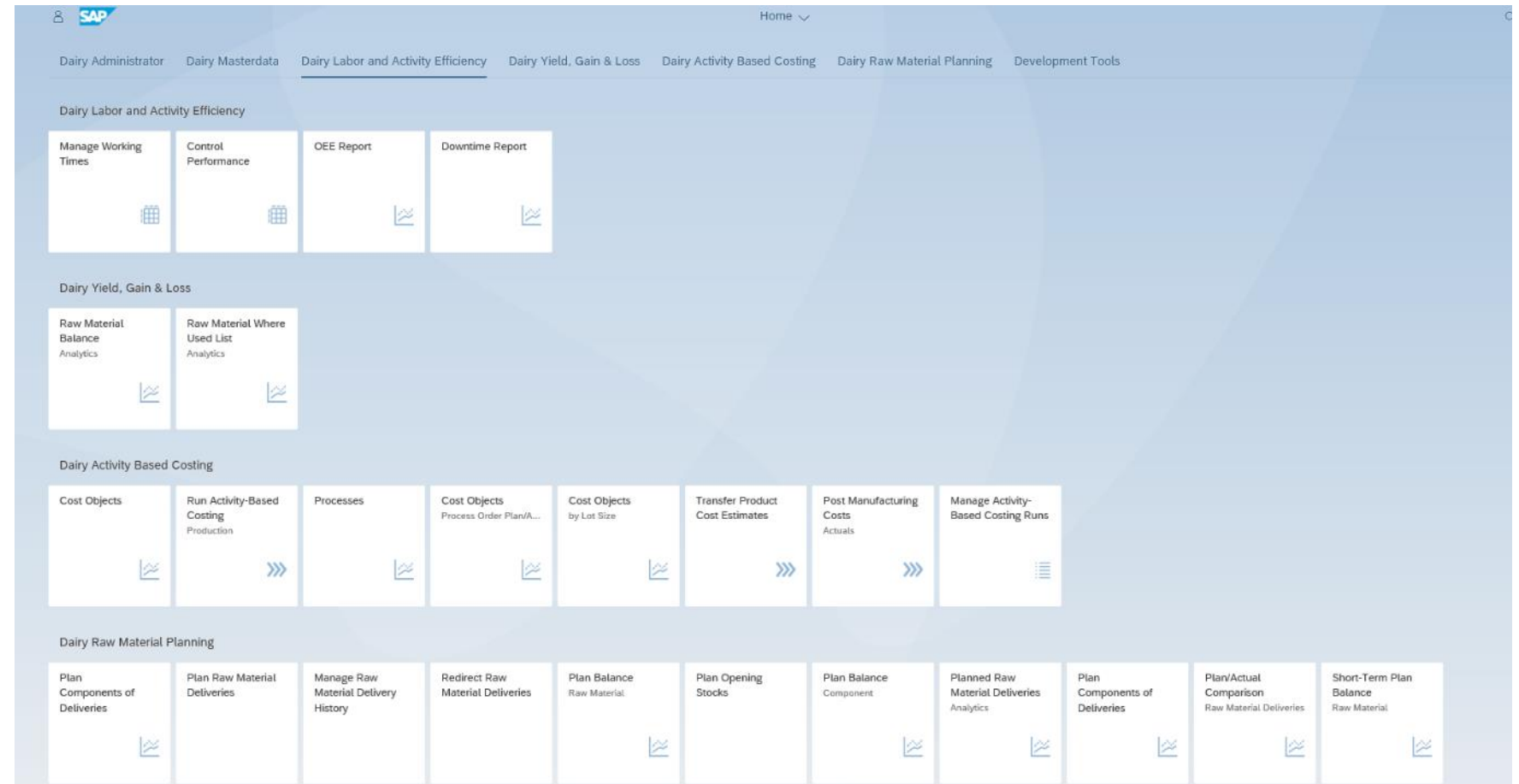
Analytics • Production • Labor & Production Equipment Management • Activity-Based Costing • Compliance
Native Technologies • Raw Material Planning • Implementation Tools

SAP Dairy Management by msg for SAP S/4HANA – Fiori

Dairy-Specific Usage of SAP Fiori

SAP Fiori UI

- Improved user experience by personalization and simplification
- Direct access to relevant, user centric information and data entry points

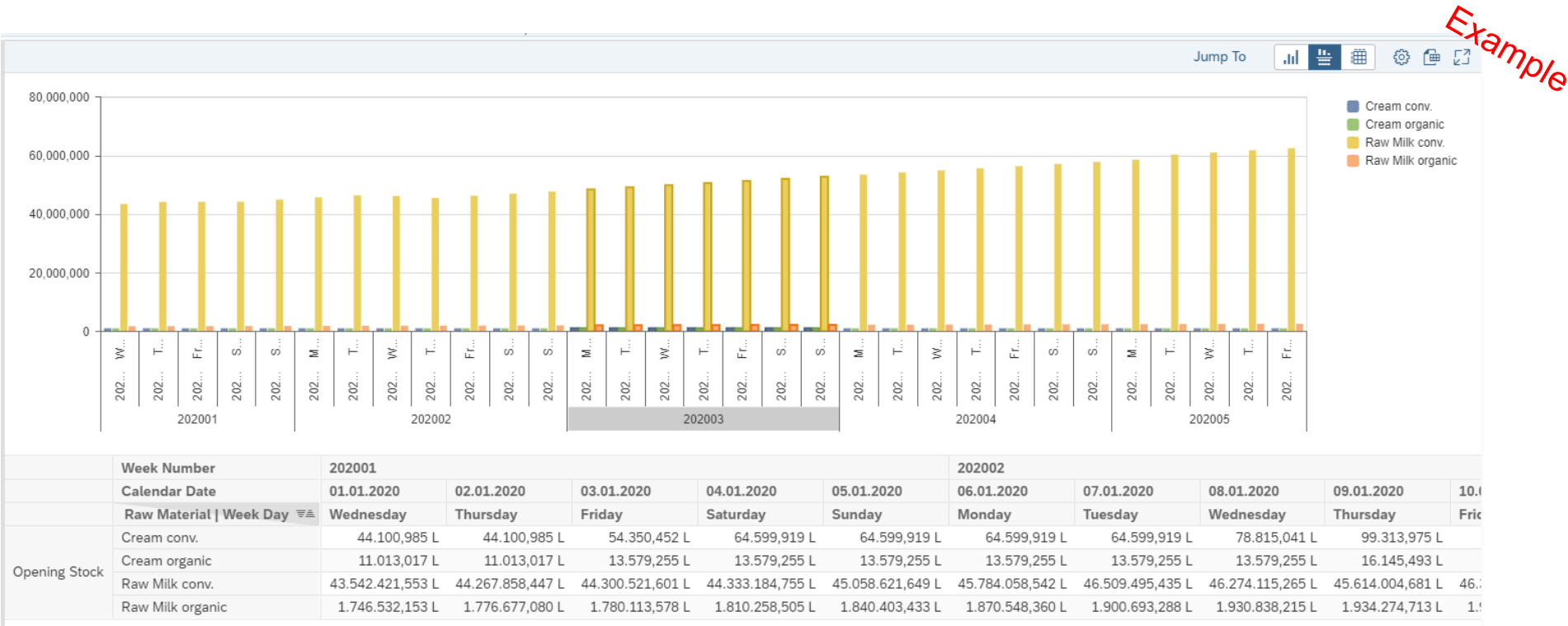


World-class execution, analytics and monitoring with SAP Dairy Management

Comprehensive & Dairy-Specific Reporting

Fiori Smart Business Reporting

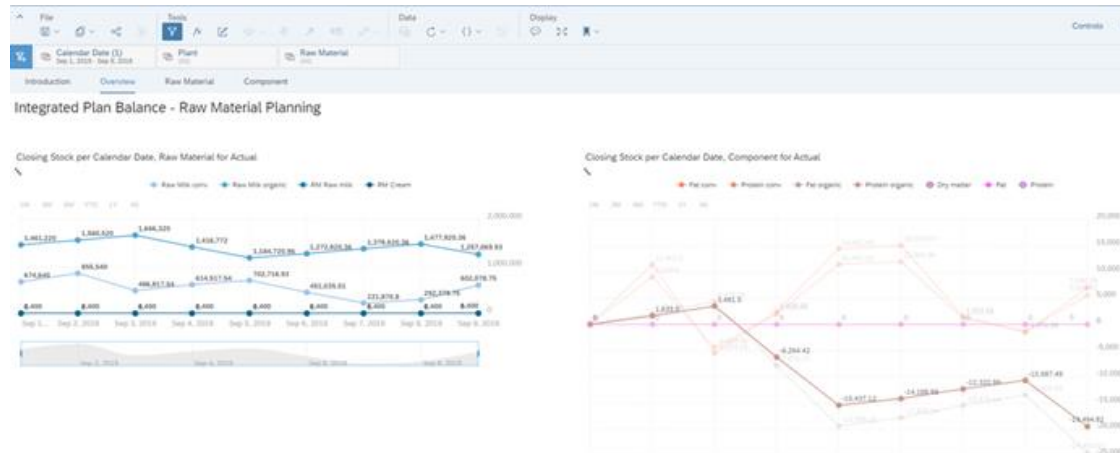
- Create your own operational reporting using Smart Business Modeler Apps
- Create your own KPIs
- Core Data Services views for reporting with predefined CDS data models



SAP Analytics Cloud

Availability of additional Reporting Content on SAC

- Use advantages of the central cloud analytics solution combined with dairy-specific key figures and processes
- Provided content on SAP Analytics Cloud by msg systems ag
 - Raw Material Plan Balance
 - Activity-Based Costing Analysis
- Get a first impression of the new reporting possibilities
Visit us: [SAP App Center](#)



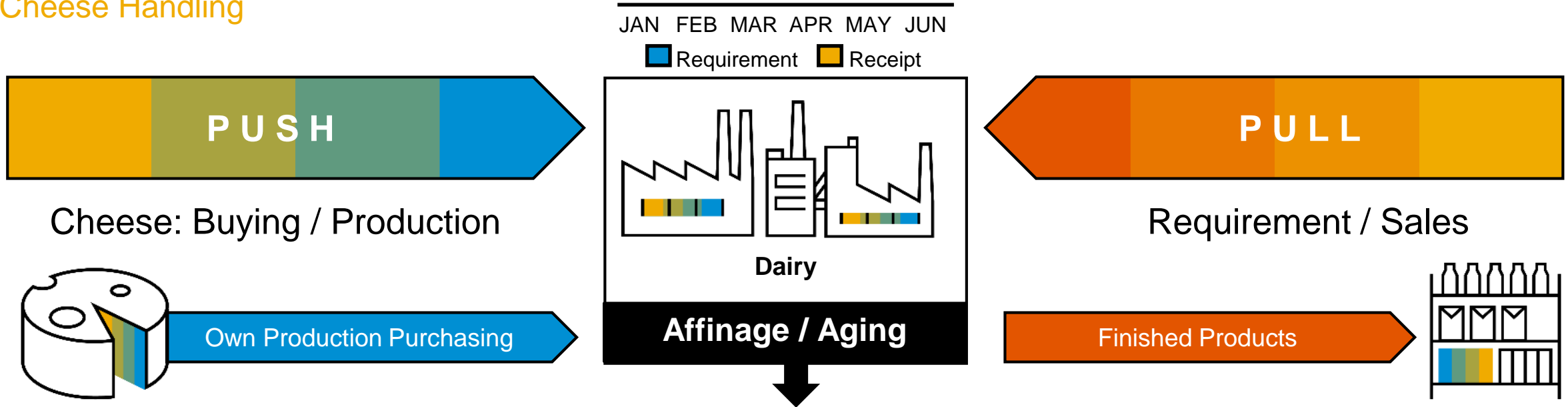
Costs by Cost Object

in USD | 1 Filter

		Total Cost	Total Quantity in Valuation Unit
G&G F-Milk 3,5% PC=1L	PC	232.534.121.64	442.543.418.00
G&G F-Milk organic 3,5% PC...	PC	11.464.577.82	18.437.000.00
MLF Natural Yogurt 4,0% CU...	PC	21.420.030.68	128.175.400.00
MLF Natural Yogurt organic 4...	PC	1.114.103.30	5.328.000.00
MLF FY Cherry 3,5% CUP=1...	PC	9.551.329.14	64.087.700.00
MLF FY organic Cherry 3,5% ...	PC	497.397.28	2.664.000.00
MLB Butter PC=250g	PC	36.527.130.72	32.048.362.00
MLB Butter organic PC=250g	PC	1.677.262.38	1.152.387.00
Buttermilk Shipping	KG	604.325.71	2.625.000.00
Buttermilk natural CUP=500ml	PC	3.645.606.95	6.170.368.00
Buttermilk lemon CUP=500ml	PC	3.003.387.39	7.259.258.00
Skimmed milk Shipping	KG	14.754.280.11	64.827.323.33
Skimmed milk organic Shipping	KG	787.033.99	2.842.826.80
SF Yogurt organic 3,8%	KG	739.603.10	1.332.000.00
SF Yog-Milk organic 3,8%	KG	651.724.90	1.305.360.00
SF Yog-Milk 3,5%	KG	2.912.623.27	7.536.988.60
SF Yogurt 3,5%	KG	3.350.019.11	7.690.568.00
	KG	171.997.35	

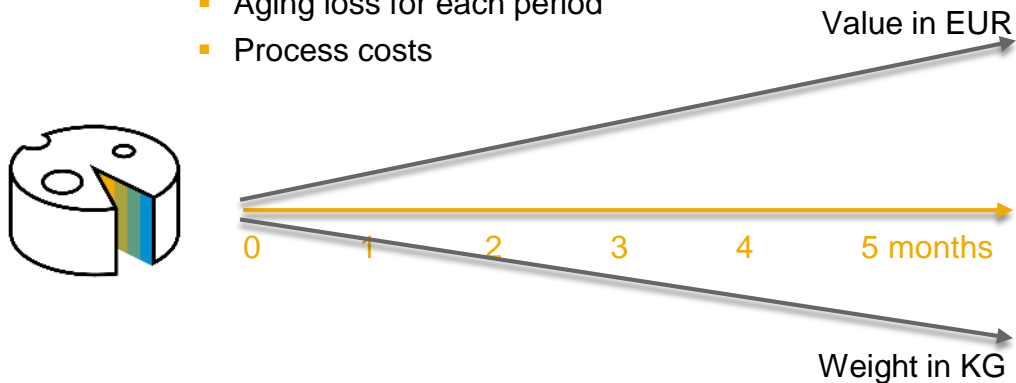
Affinage

Cheese Handling



Individual Aging Information

- Periodicity of inventory postings
- Aging loss for each period
- Process costs



Benefits

- Automatic adjustment of weight on batch level
- Correction of remaining weight stocks at the end of aging process
- Optimization of default aging loss information
- Reporting functionalities

Customer Example



Emmi chose SAP, because their product perfectly serves the needs of the dairy industry.



Source:
<https://www.youtube.com/watch?v=2EnXbzBTH4s>

Dairy Management Customers ... so far

						
Largest dairy company in Germany	Largest dairy company in Switzerland	Largest dairy company in Saudi Arabia	Largest dairy company in Canada	One of the largest branded dairy operators in the US	Exports to 55 countries all over the world	Largest dairy company in Israel




We are pleased that SAP has added this innovative solution to its solution portfolio. SAP Dairy Management by msg is a key part of our SAP strategy. This ground-breaking industry application sets the cornerstone for ensuring solid performance, innovation, growth and lasting success.





Heinz Hodel, former CIO, Emmi on leveraging SAP Dairy Management by msg

Further Information



 **SAP Help Portal** SAP Dairy Management by msg for SAP S/4HANA


 




SAP Dairy Management by msg for SAP S/4HANA

1906

Version: 1906 FPS00 ▾
Language: English ▾

This product ▾

Search through all documents relating to this product 



Administration

[Administration Guide](#)

Information on the installation, upgrade, configuration, operation and security of SAP Dairy Management by msg for SAP S/4HANA.



Additional Information

[SAP Note 2564073 - Release strategy for SAP Dairy Management by msg for SAP S/4HANA](#)

This SAP Note provides information about the planning the installation and upgrades of SAP Dairy Management by msg for SAP S/4HANA.



Application Help

[Application Help](#)

Documentation for all functions and processes that are supported by this product.



Feature Scope Description

[Feature Scope Description](#)

Provides an overview of the available features

https://help.sap.com/viewer/p/SAP_DAIRY_MANAGEMENT_BY_MSG_FOR_SAP_S4HANA



SAP Meat and Fish Management by msg

Overview

Common Situation at Meat Industry Companies – Challenges

Due to meat specific requirements

Fragmented business processes

Lack of cost transparency

Excel based planning

Planning not connected to execution

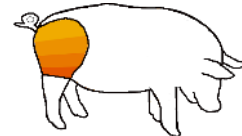
Lack of product traceability and material control

Heterogeneous IT-landscape

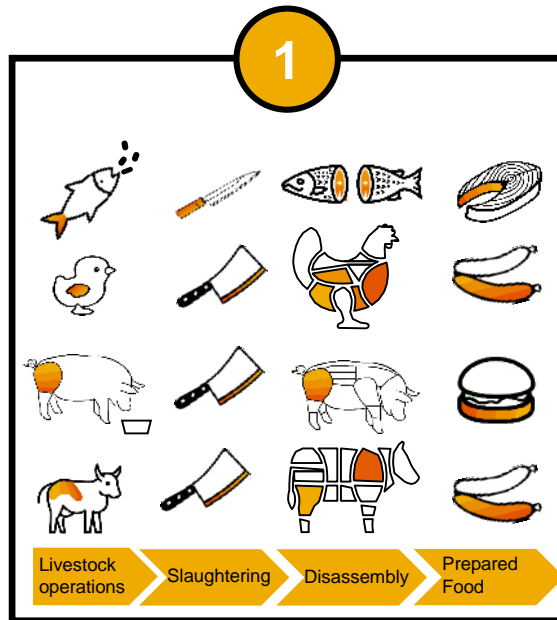
Less process automatization

Own development

Shop floor disconnected

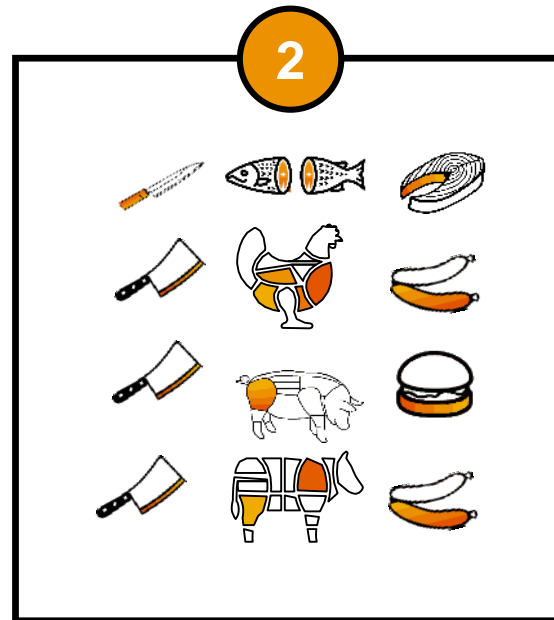


Meat Industry Business Models



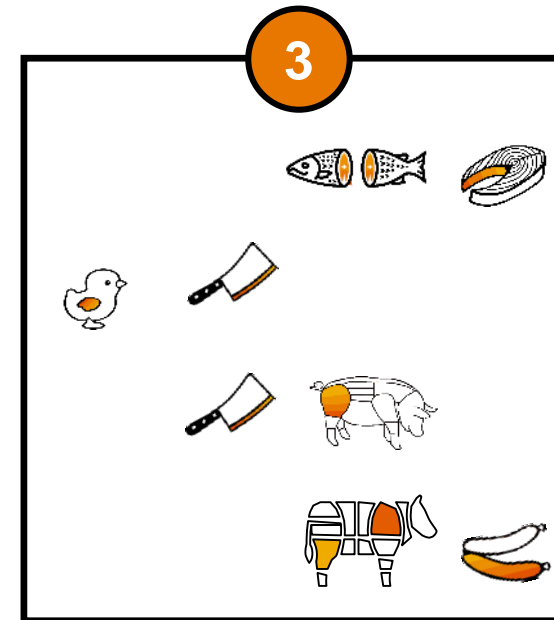
Full supply chain operation

- Own livestock production
- Contracted farmer
- Own fields and feed mills
- Fresh meat, prepared food
- Retail operations



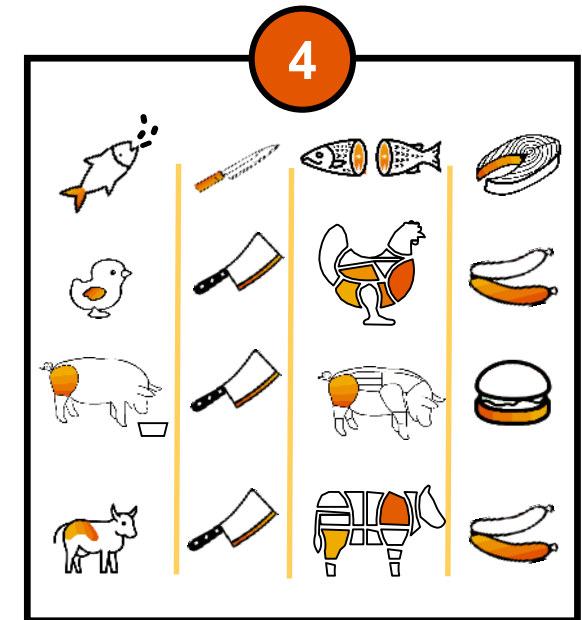
Traditional Company

- Purchase of livestock from contract farmers
- Production of fresh meat parts, products and prepared food
- Selling to retailers, traders, hotels, butchers



Combined Company

- Execute two following steps of the value chain for all animal categories
- Livestock operation and slaughtering
- Slaughtering and disassembly
- Disassembly and further processing

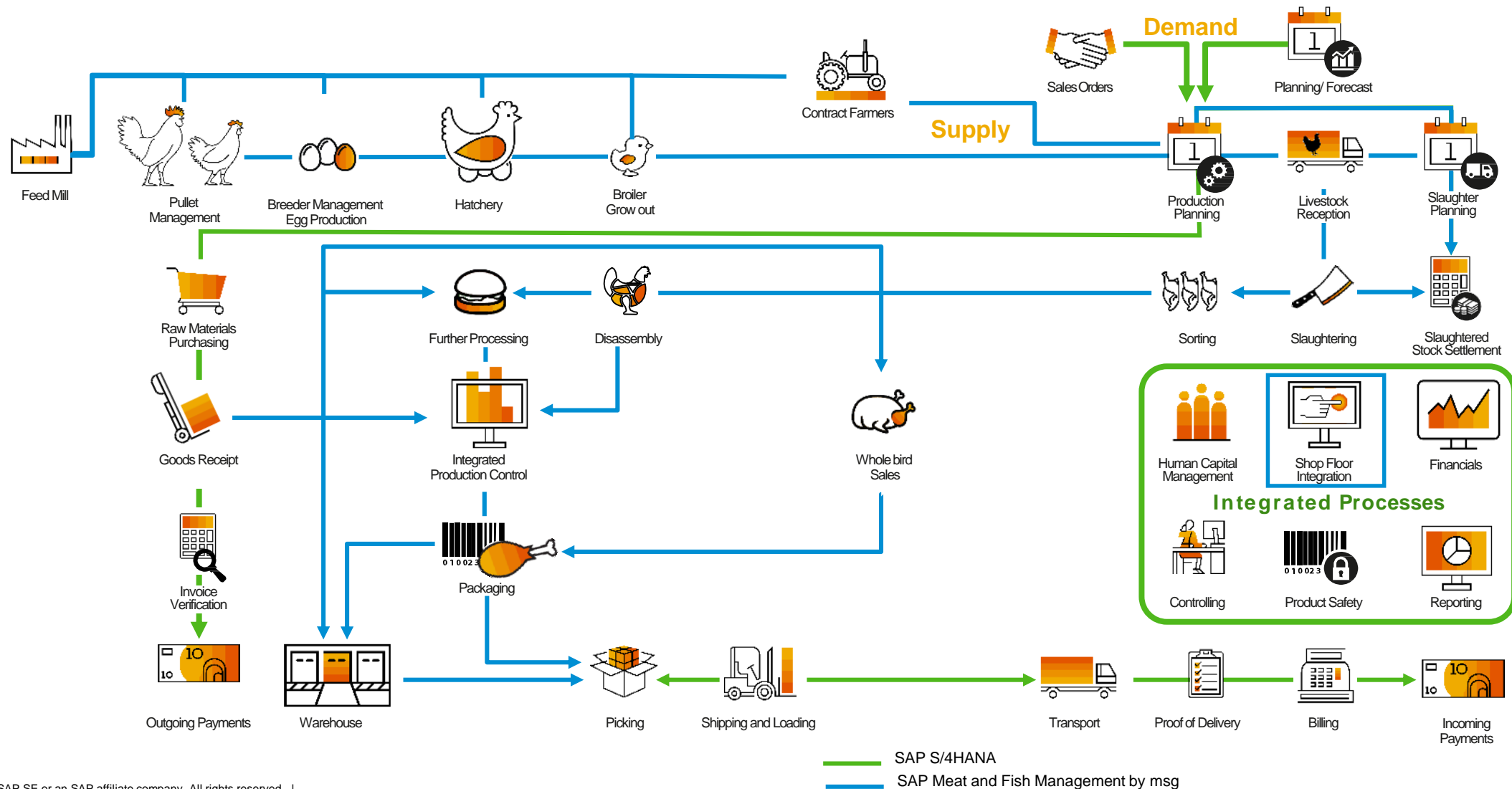
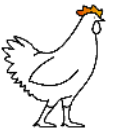


Specialized Company

- Only livestock production
- Only slaughtering
- Only disassembly
- Only further processing

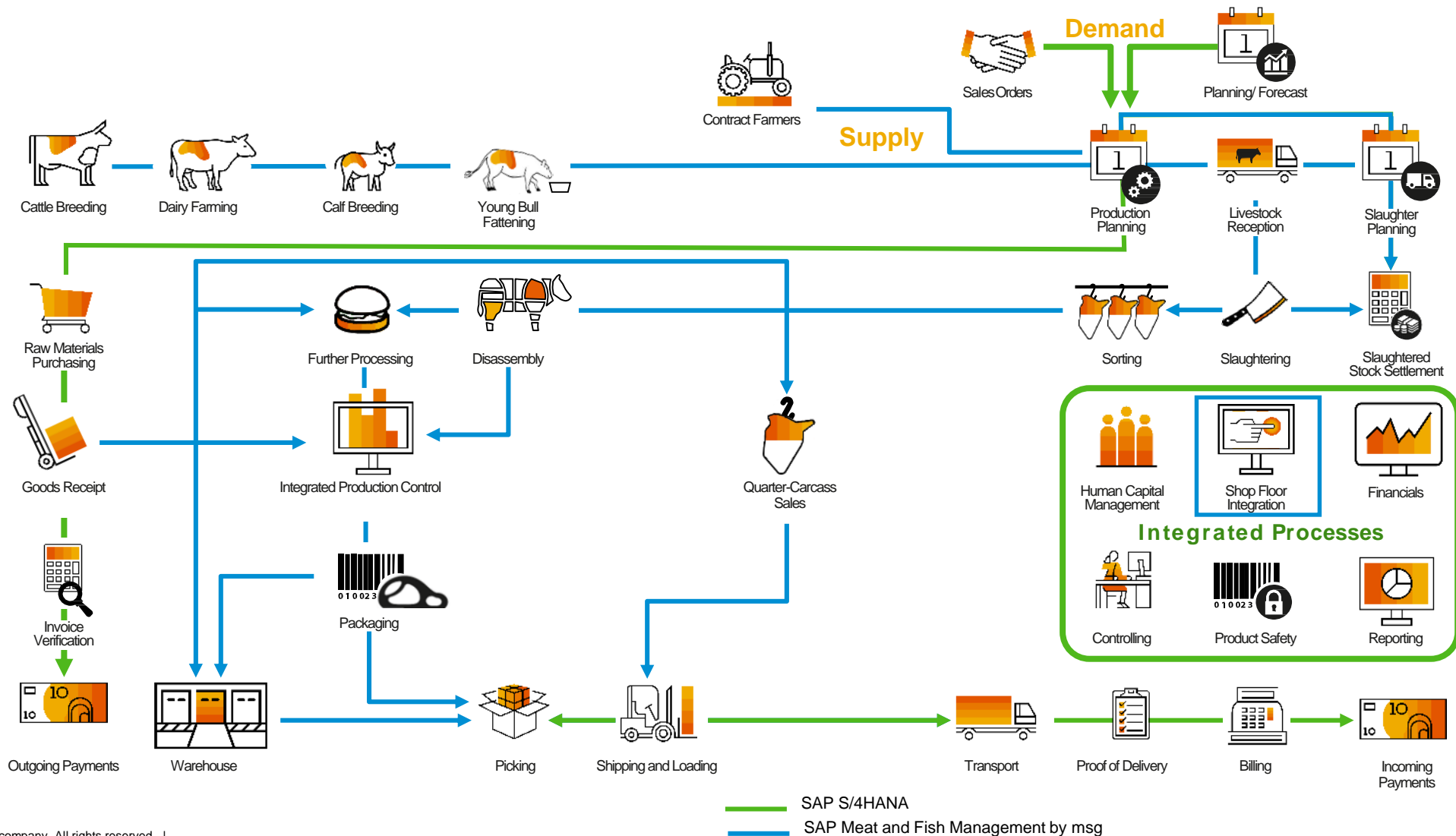
End-to-End Process Flow along the Meat Supply Chain

SAP Meat and Fish Management by msg



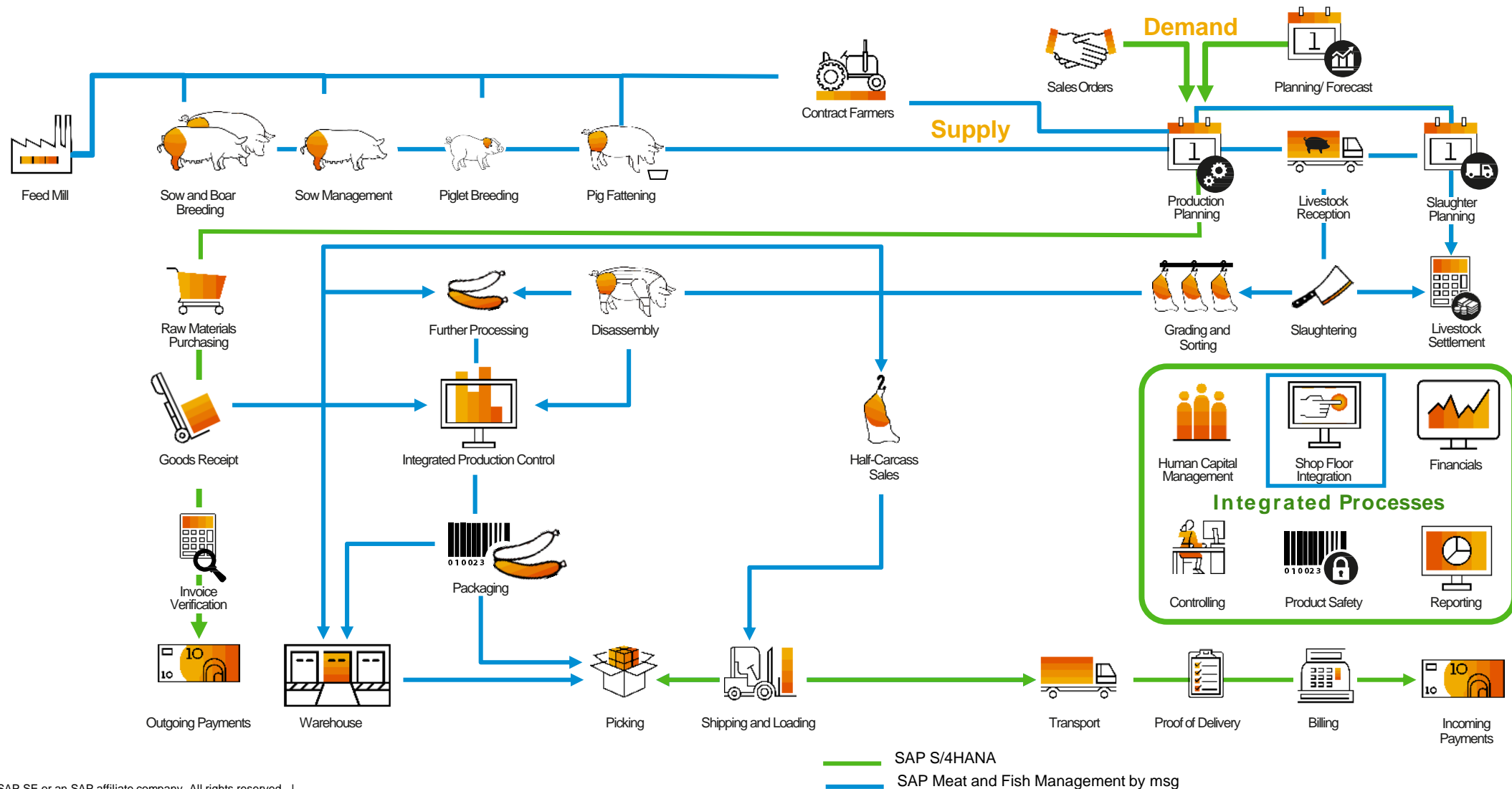
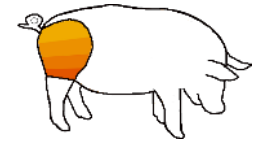
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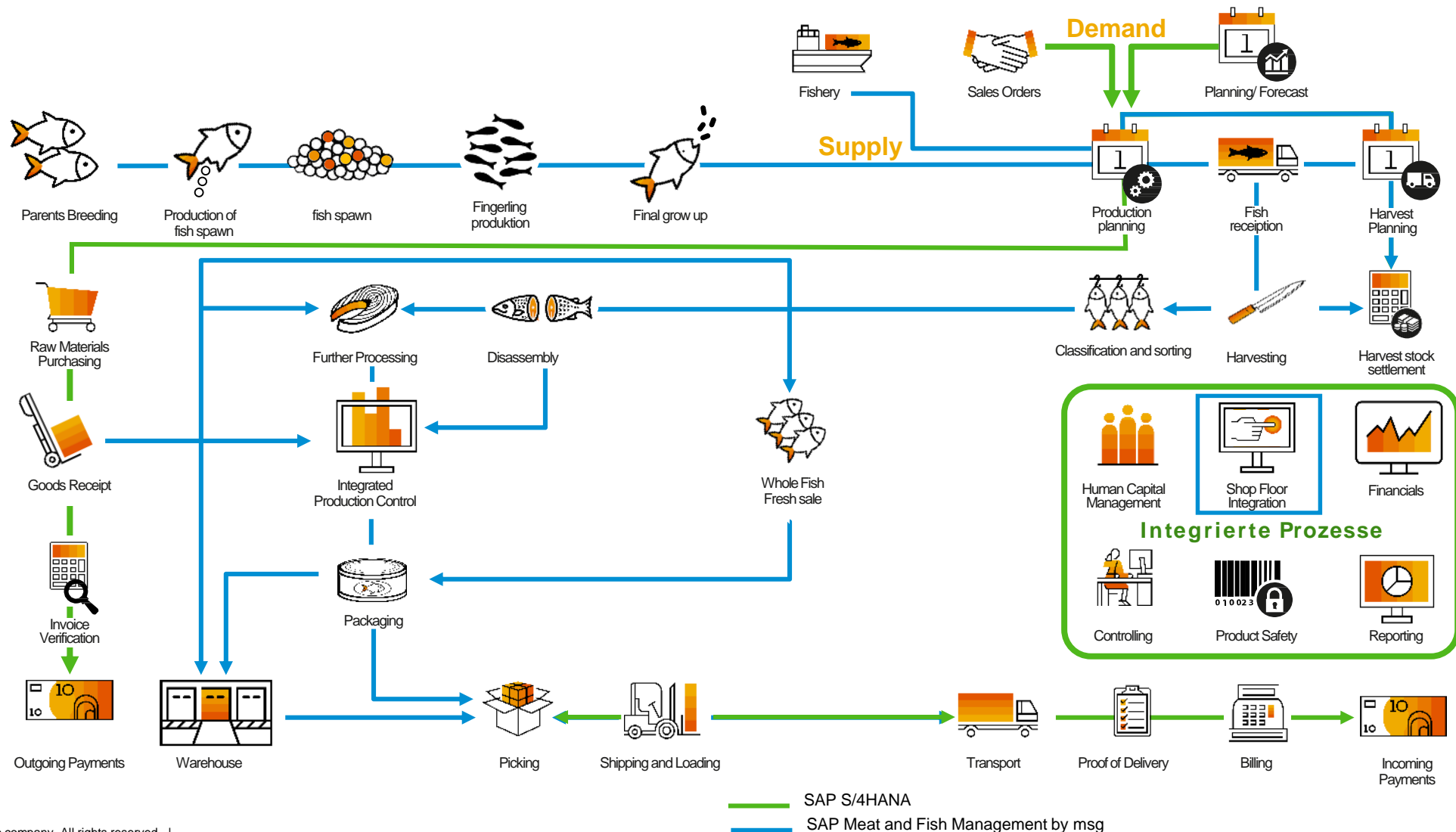
End-to-End Process Flow along the Meat Supply Chain

SAP Meat and Fish Management by msg

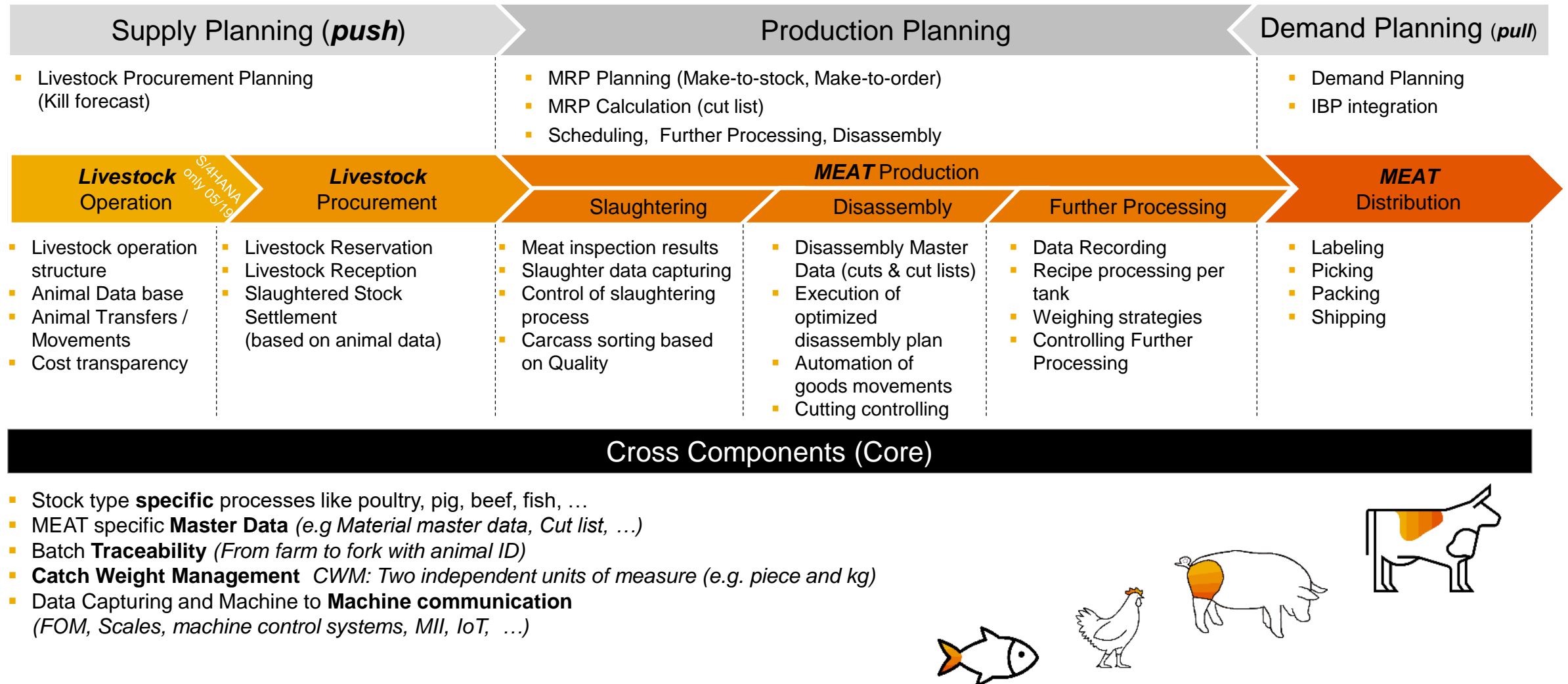


End-to-End Process Flow along the Fish Supply Chain

SAP Meat and Fish Management by msg

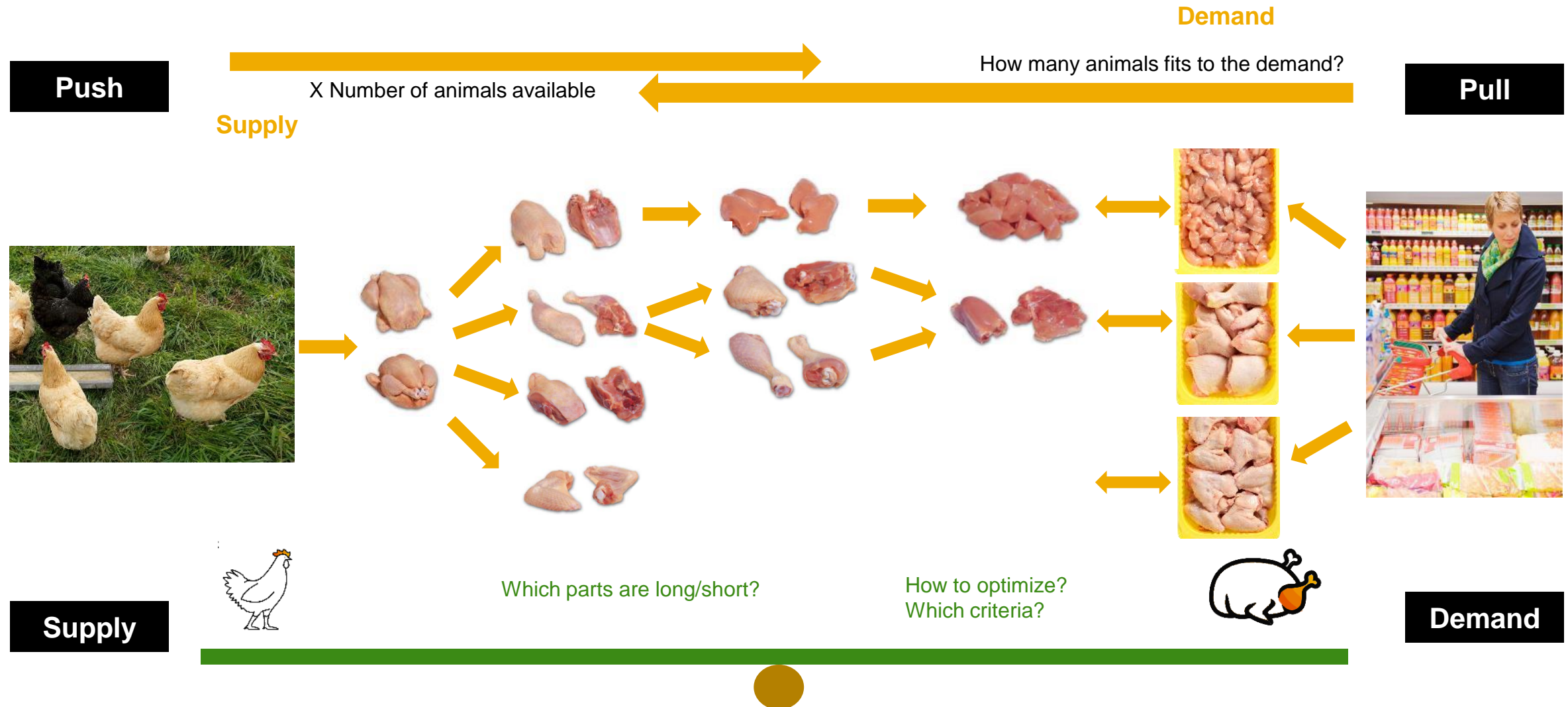


Solution Overview – SAP Meat and Fish Management by msg for SAP S/4HANA

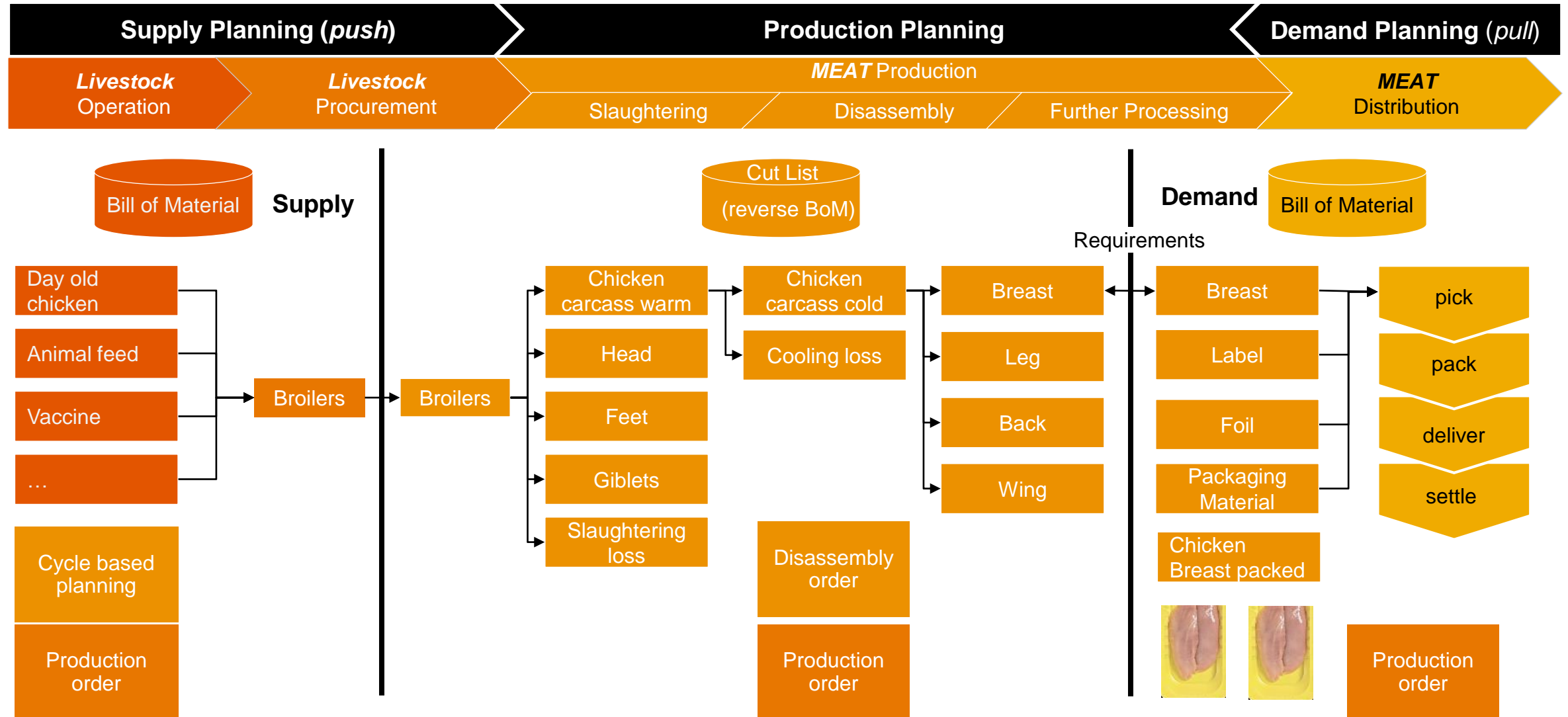


Overview of Meat Specific Business Logic

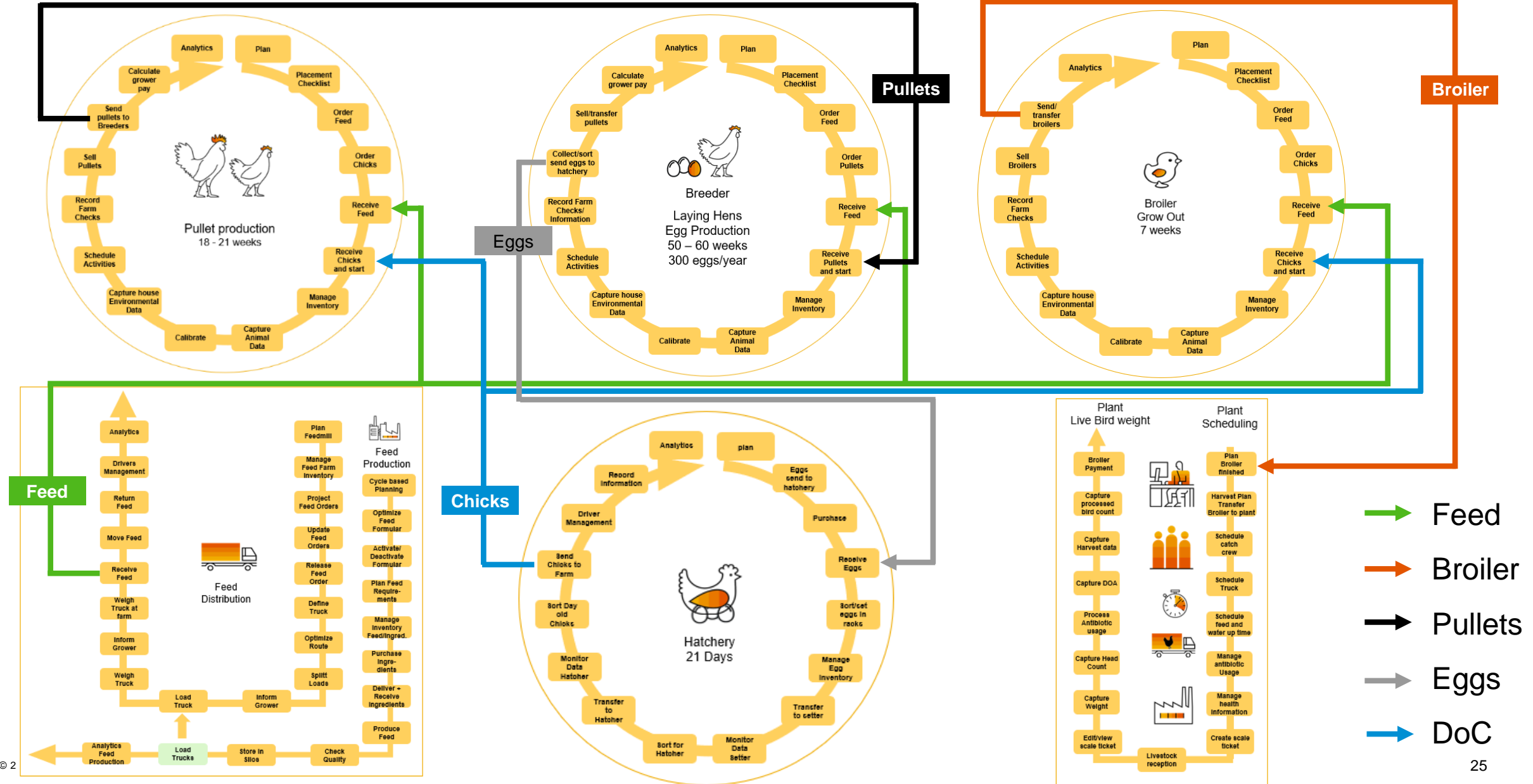
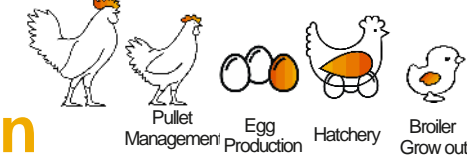
Disassembly - Balancing (Push/Pull) for all animal categories



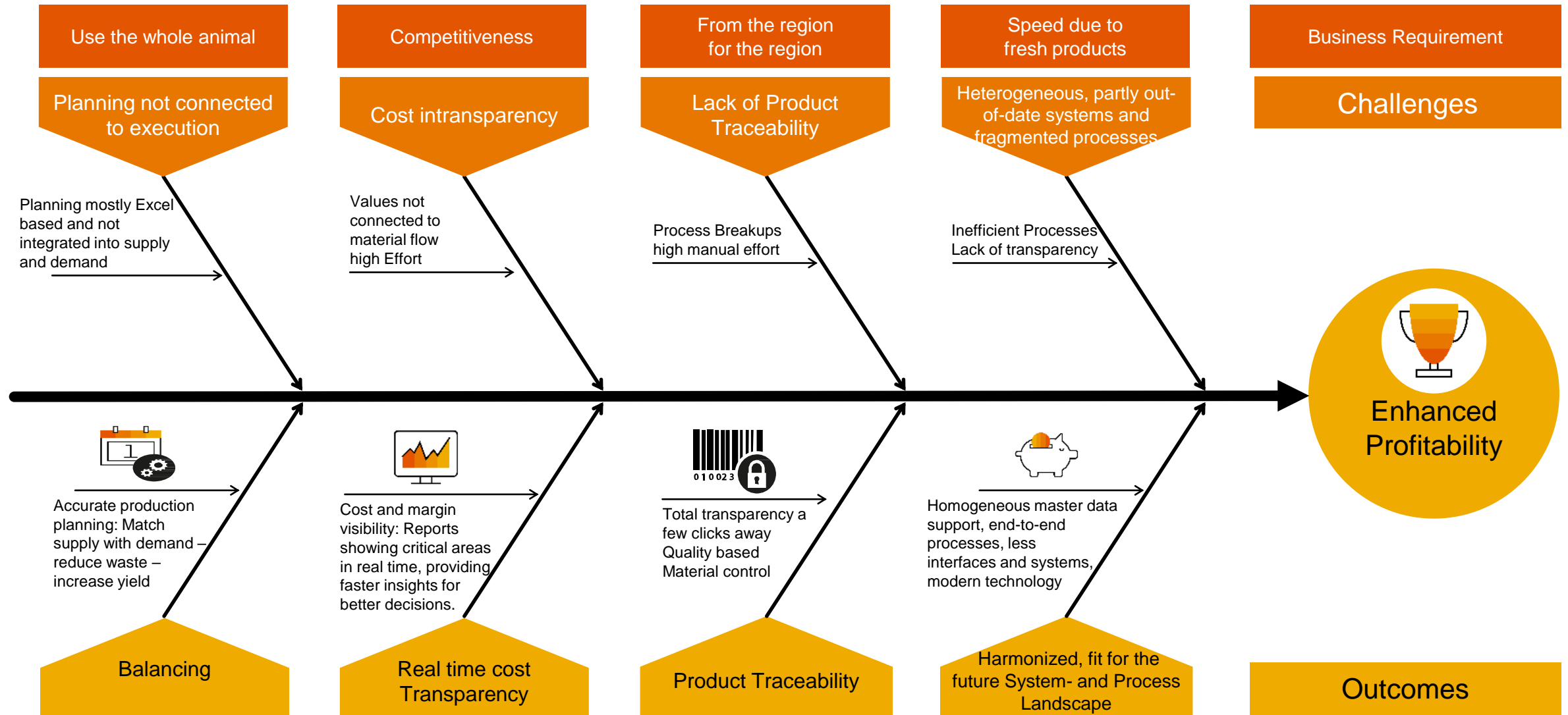
Planning Logic



Overview of the Chicken Supply Chain – Cycled based Production



Outcomes of Meat Companies working with SAP Meat and Fish Management



Customer Example

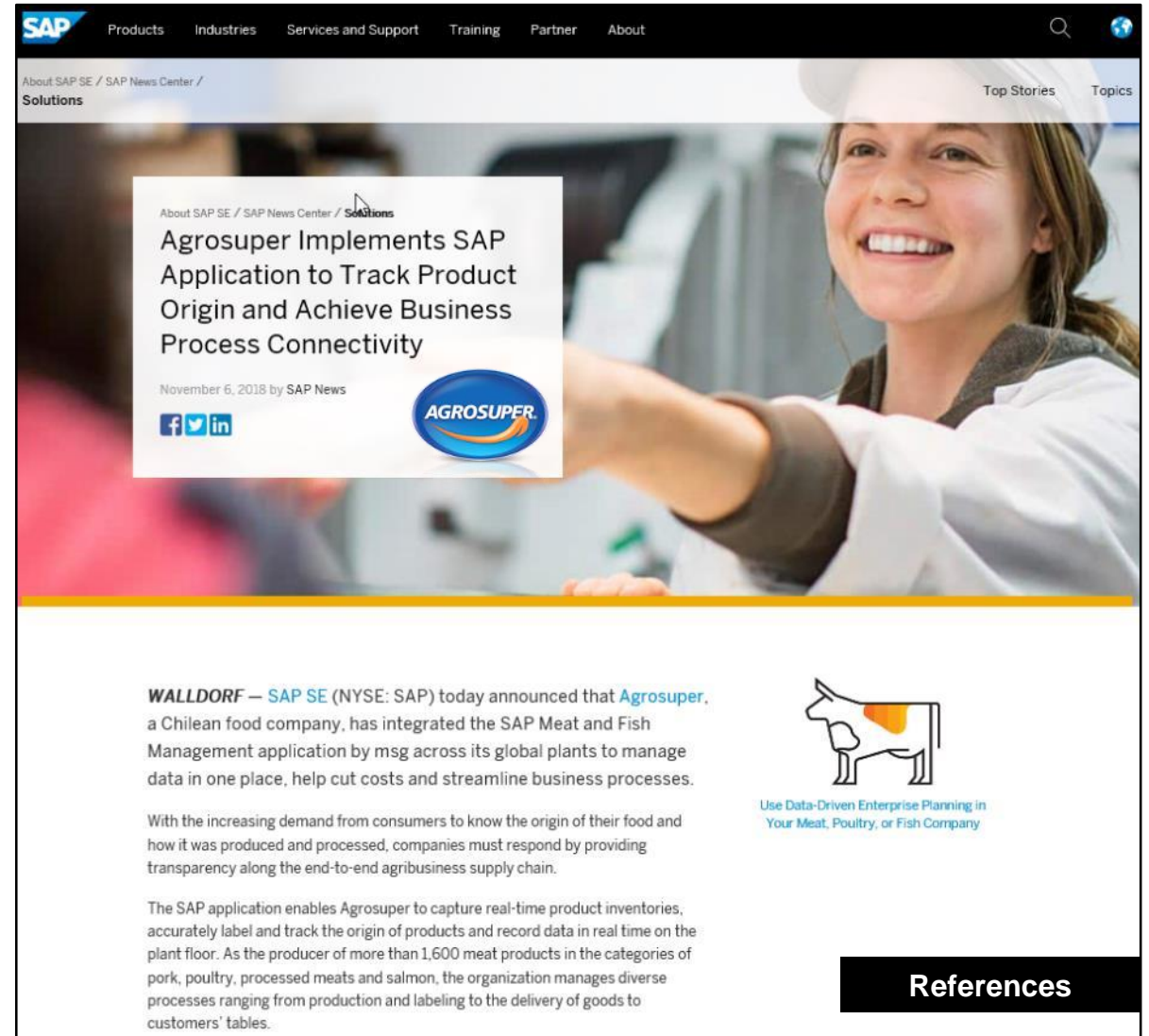
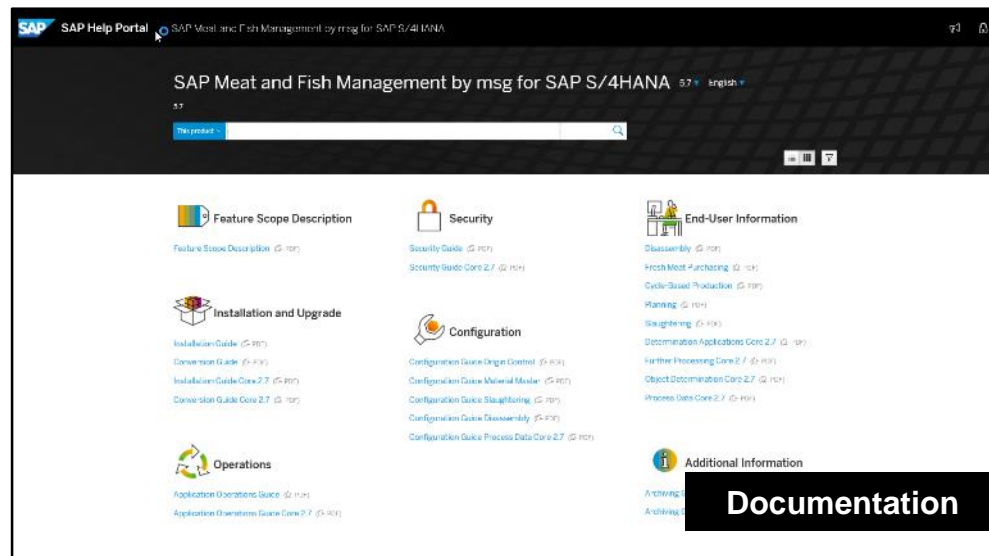
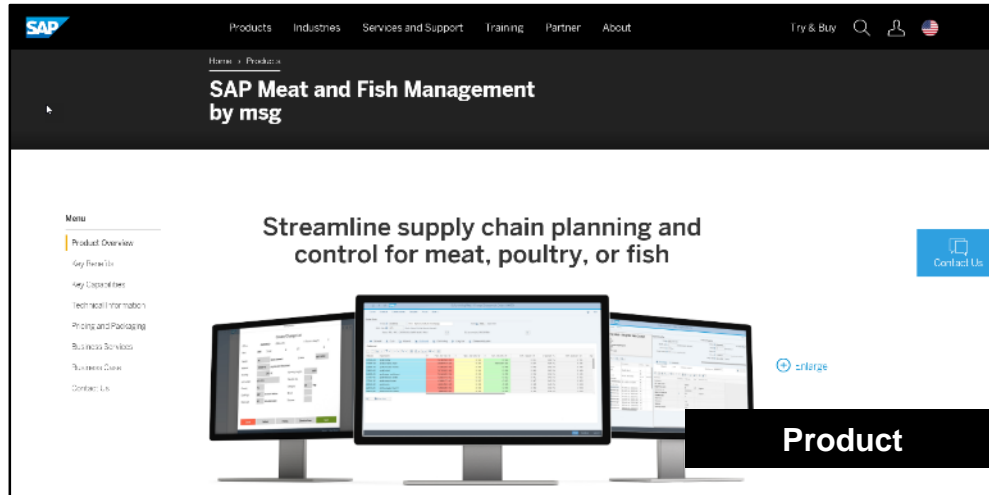


Micarna drives speed and operational excellence with SAP



Source:
<https://www.youtube.com/watch?v=9oT5ueCz2yw&list=PLdzEJoB6CqJ9xZe26fSqmEh8XiLmIqliX&index=1>

Further Information on SAP Homepage



Thank you.