Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

AN INVESTIGATION INTO SHORT PRODUCTION RUNS IN SPRAY DRYING PLANTS OF THE NEW ZEALAND DAIRY INDUSTRY

A thesis presented in partial fulfilment of the requirements for the degree of Doctor of Philosophy in Industrial Management and Engineering at Massey University

ROBERT KAY

1982

1.0

THE ROAD NOT TAKEN

1

.

Two roads diverged in a yellow wood, And sorry I could not travel both And be one traveler, long I stood And looked down one as far as I could To where it bent in the undergrowth;

Then took the other, as just as fair, And having perhaps the better claim, Because it was grassy and wanted wear; Though as for that the passing there Had worn them really about the same,

And both that morning equally lay In leaves no step had trodden black. Oh, I kept the first for another day! Yet knowing how way leads on to way, I doubted if I should ever come back.

I shall be telling this with a sigh Somewhere ages and ages hence: Two roads diverged in a wood, and I -I took the one less traveled by, And that has made all the difference.

Robert Frost

ABSTRACT

The features of short production runs in spraydrying plants of the New Zealand Dairy Industry were examined and some methods developed to help improve productivity in dealing with them.

In particular a survey was carried out of the managers of all spray-drying plants in order to establish quantitative and qualitative information on short production runs. It was found that short production runs could be classified into those caused by interruptions to runs, such as mechanical breakdown, those caused by specification changes, and those caused by the decision to run the plant for a limited period, usually as a result of the limited milk available for processing.

The effect of capacity utilisation on spray-drying plants and the costs of smoothed milk flow were examined and it was found that smoothed milk flow could not be justified on economic grounds alone.

The occurrence of short runs due to specification changes in other industries is documented as are methods to overcome their costs. It was concluded that the major effects in spray-drying plants were likely to be through set-up cost and learning behaviour. However, it was found that neither of these seriously affected cost of powder manufacture, short production runs due to specification changes were dealt with without excess costs over normal manufacture.

The relationship between run length and energy consumption and run length and processing rate were examined and quantified. A computer based management information system was developed to assist in the control of costs in general and short production runs in particular in spray-drying plants.

ACKNOWLEDGMENTS

There are many people who have been a great help in providing enthusiasm, inspiration and practical assistance in carrying out this research. I am grateful to the New Zealand Dairy Research Institute for kindly providing the funds to make it possible.

I would like to thank the staff of the N.Z.D.R.I., the N.Z. Dairy Board and Massey University, especially members of the Department of Industrial Management and Engineering, who were always helpful and positive in their advice.

Work in this industry has proven enjoyable and satisfying due to the generous co-operation of managers of spray-drying plants and other employees of dairy companies. My thanks go to them.

In particular 1 would like to thank Messrs P. kead and A. Wolland of Tui Co-operative Dairy Company, who have freely and willingly provided information and help.

My supervisors, Dr K.J. Kirkpatrick, Dr W.B. Sanderson and Professor J.K. Scott have been a continued source of constructive criticism and encouragement and I am most grateful to them.

I would also like to express my thanks to my typist, Mrs M. Garden, who has transformed the manuscript into a readily intelligible form with skill and efficiency.

Finally, I would like to thank my family, and especially my wife Jo, without whose support and encouragement through the past three years, this work would not have been completed.

k.Kay

1. New Zealand Dairy Research Institute

ıi

TABLE OF CONTENTS

	page
ABSTRACT	i
ACKNOWLEDGMENTS	ii
TABLE OF CONTENTS	iii
LIST OF ABBREVIATIONS	ix
GLOSSARY OF MILK POWDER SPECIFICATIONS	x
CHAPTER ONE: INTRODUCTION	1
LIST OF REFERENCES (Chapter 1)	7
CHAPTER TWO: THE SHORT PRODUCTION RUN IN HISTORY	8
2.1 The commonality of methods of	
management of production	8
2.2 The occurrence of short production runs	10
2.3 Classification of manufacturing systems	11
2.4 Batch production	14
2.5 Mass production	19
2.6 Short runs in spray drying plants	27
LIST OF REFERENCES (Chapter 2)	30
CHAPTER THREE: THE OCCURRENCE OF SHORT	
PRODUCTION RUNS IN SPRAY DRYING	
PLANTS	34
3.1 Preparation of the survey	34
3.2 Results of the written questionnaire	39
3.3 Results of the interview questionnaire	51
LIST OF REFERENCES (Chapter 3)	68
CHAPTER FOUR: ANALYSIS OF THE OCCURRENCE OF	
SHORT PRODUCTION RUNS	69
4.1 Introduction	69
4.2 Interruptions to production runs	69
4.3 Short production runs caused by	
specification changes	72
4.4 Short daily running time	76
4.5 Additional information	77ъ
4.6 Summary	78
LIST OF REFERENCES (Chapter 4)	80

pa	ge
CHAPTER FIVE: THE EFFECTS OF SOME ASPECTS	
OF DAIRY INDUSTRY INFRASTRUCTURE ON THE SHORT RUN PROBLEM	81
5.1 Introduction	81
5.2 The determinants of New Zealand's	0.
pattern of agricultural production	81
5.3 Comparison of costs of seasonal milk	01
production with smoothed production	83
5.4 Pressures causing a higher peak milk	
supply	84
5.5 The market for milk powders	85
5.6 The New Zealand Dairy Board's effect	0)
	86
on short runs	87
5.7 Conclusion	
LIST OF REFERENCES (Chapter 5) CHAPTER SIX: THE EFFECTS OF SHORT PRODUCTION RUNS	89
IN THE SPRAY DRYING PLANT	00
	90
6.1 Introduction	90
6.2 Spray drying factory cost structures	92
6.3 Cost of start-up and shut-down in a	0.0
spray drying plant	96
6.4 Learning effects in spray drying plants	99
6.5 Capacity utilisation in spray drying	105
plants	105
6.6 Cost effects of seasonal milk flow in	
spray drying plants	109
6.7 Simulation of smoothing milk supply	116
6.8 Conclusion	120
LIST OF REFERENCES (Chapter 6)	121
CHAPTER SEVEN: CONTROL OF THE EFFECTS OF SHORT	
PRODUCTION RUNS IN SPRAY DRYING	
PLANTS	122
7.1 Introduction	122
7.2 Determination of the relationship	
between energy consumption and daily	
run length	123

			page
	7.3	Factors affecting the rate of milk	
		processing in a spray drying plant	. 137
·	7.4	Computer based management information	
		system	162
	7.5	Conclusion	166
	LIST	CF REFERENCES (Chapter 7)	167
	CHAPTER EIG	GHT: THE EFFECTS OF TECHNOLOGICAL	11
		CHANGE ON SHORT PRODUCTION RUNS	168
	8.1	Introduction	168
	8.2	Mechanical vapour recompression	168
	8.3	Reverse Osmosis	169
	8.4	Energy developments	170
	8.5	Computers and control	171
	8.6	Evaporator cleaning	171
	8.7	Changes in the size of spray drying	
		plants	172
	8.8	Conclusion	175
	LIST	OF REFERENCES (Chapter 8)	176
	CHAPTER NII	NE: CONCLUSION	179
	APPENDIX 1	THE SPRAY DRYING PLANT	187
	APPENDIX 2	QUESTIONNAIRE LEFTERS AND WRITTEN	
		QUESTIONNAIRE BOOKLET	189
	APPENDIX 3	: EXAMPLE OF "TEN DAILY" REPORT	190
	APPENDIX 4	EXAMPLE OF DAILY REPORT	196
	APPENDIX 5	BACKGROUND TO THE EFFECTS OF SOME	
		ASPECTS OF DAIRY INDUSTRY INFRA-	200
		STRUCTURE ON THE SHORT RUN PROBLEM	

LIST OF FIGURES, GRAPHS AND TABLES

Figures2.1 The manner of action of production
management92.2 Production systems122.3 The production continuum14

List of fig	gures (cont)	page
6.1	Examples of computer printouts	
	from simulation	118
A1.1	Diagram of spray drying process	188
8		
Graphs		
4.1	Monthly average daily running time	77
6.1	Theoretically expected result of	
	learning behaviour	100
6.2	Number of failures per day vs day	
	of run	103
6.3	Number of failures per day as percent	
	of all days of that number vs day	103
	of run	
6.4	Utilisation index versus cost per ton	ne 107
7.1	Example of scatter plot of daily total	1
	oil consumption vs daily milk	
	volume (for spec 607)	125
7.2	Rate of oil consumption per kilogram	129
	of product vs production volume per da	ay
7.3	Rate of oil consumption per kg of	
	product vs raw milk volume	130
7.4	Rate of electricity consumption per	
	kg of product vs raw milk volume	131
7.5	Tukey plots of processing rate and	
	processing time versus day number	139
7.6	Moving average plots of processing	
= .	rate and processing time vs day number	r 141
7.7	Cumulative sum plots of processing	
	rate and processing time vs day numbe	r 142
7.8	Regression lines of processing rate	
	on 1/time	150
7.9	Predicted processing rate vs	
,	processing time	151
7.10	Processing rate vs processing time,	
	days 69 to 92	156

pag	se
-----	----

Graphs (c	continued)
7.1	11 Process

7.11 Processing rate vs processing	; time,
days 106 to 142	157
7.12 Processing rate vs processing	; time,
days 173 to 210	158
7.13 Production rate vs processing	; time,
days 69 to 92	159
7.14 Production rate vs processing	; time,
days 106 to 142	160
7.15 Production rate vs processing	; time,
days 172 to 210	161

Tables

2.1	Illustrative estimate of cost and	
	scale in car manufacture	20
3.1	Interview questions and information	
	sought	51
4.1	Occurrence of interruptions to	
	production runs	70
4.2	Factories with short run lengths	72
6.1	1978-79 season, average costs in	
	dollars per tonne and percent	94
6.2	Overall average percentage cost	
	structure	95
6.3	Spray drying factory inflation rate	95
6.4	Results of examination of various	
	runs for learning behaviour	102
6.5	Summary of results showing relationship	•••
	between cost per tonne and capacity	106
6.6	Results summary - Equal groups of	
	at equal periods	119
6.7	Results summary - Two herds at various	
	separations	119
6.8	Results summary - One third of herd	
	calves later	119
7.1	Summary of results of regression	
	analysis	127
7.2	Yield of product per litre of raw milk	128

page

· Tables (con	ntinued)	
7.3	Values of co-efficient of	
	determination (\hat{R}^2) for various	147
	regressions of processing rate on	
	processing time	
7.4	Summary of results of regression of	149
	processing rate on 1/processing time (h	r)
A5.1	Estimated gross margins 1981-82 season,	
	Manawatu region	204
A5.2	Expenditure on average town milk and	
	factory supply farms for 1978-79	
	season	205
A5.3	Percentage of New Zealand dairy	
	products by weight sold in United	
	Kingdom	210
A5.4	The ten principal milk powder markets	
	for selected years since 1960	211
A5.5	Market sales of powders for selected	
	years since 1960	212
A5.6	Quantities of dairy products given	
	access to the U.K. market during	
	the transitional period	213

LIST OF ABBREVIATIONS

	B.M.P.	Buttermilk powder
	C.I.P.	Clean in place
	Co-op	Co-operative
	E.E.C.	European Economic Community
	hr	hour
	kg	Kilogram
	k.w.h.	Kilowatt hour
	M.V.R.	Mechanical vapour recompression
	N.S.P.O.	Non-standard purchase order
	N.Z.C.D.C.	New Zealand Co-operative Dairy Company Limited
	N.Z.D.B.	New Zealand Dairy Board
	N.Z.D.R.I.	New Zealand Dairy Research Institute
	R.O.	Reverse Osmosis
	R.P.D.	Rangitaiki Plains Co-operative Dairy Company Limited
,	S.M.P.	Skim milk powder
	Spec	Specification
	U.K.	United Kingdom
	W.M.P.	Whole milk powder
	W.P.N.I.	Whey protein nitrogen index
	N.C.	Numerical control

ix

GLOSSARY OF MILK POWDER SPECIFICATIONS

600 Medium heat 633 M301] 602 1 Skim milk powder Low heat 607 662 High heat 672 Heat stable 800

801 802

803 821

823

Basic, conventional

Limited bulk density range

Vitaminised

Whole milk powder

Special (whole milk) products

900 930 934

х