The logistics of milk collection: an exploratory case study between New Zealand and Brazil

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A thesis submitted in partial fulfilment of requirements for a degree of Master in Logistics and Supply Chain Management.
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Abstract

Logistics has become one of the most important activities for all companies where has been treated as strategic function to gain competitive advantage over a companies’ competitors.

Agribusiness as any other business is also using logistics tools in their supply chain to reduce their chain cost and more important to improve their business efficiency as a whole. Transportation is one of the logistics activities that most influences price of product which in some cases can represent 25% of the final price.

Milk collection for a dairy business plays an important part in the overall performance of the company. A poor milk collection system jeopardise the entire chain as it is the first stage of the manufacturing process.

The main purpose of this work is to identify and describe the possible differences and similarities between a Brazilian and New Zealand Dairy Company regarding their logistics of milk collection.

Even though the two companies are in the same business segment they are inserted in different environments/markets therefore need to deal with different issues regarding milk collection such as companies’ structure, milk production’s cycle, and routing and scheduling applications. However, both understand the importance of the logistics activities and apply tools in their chain to improve their efficiency.

Due to its size and market share the New Zealand Company has a better collection system in place than the Brazilian Company. Both have implemented some changes in the last few years that brought some improvements for their milk collection.
Acknowledgment

I would like to thank so many people who have helped me during this time. People who have listened to all my complaints, suffered with my bad moods and even then still supporting me all the way through.

Firstly my parents, Geraldo e Ivonete, and my sister Cristina, I miss you guys so much but this it is something I wanted to do. I do appreciate all the help and support given to me even though I was not there, close to you all. I am what I am because of you. I would not have stayed here so long if you hadn’t given me the strength to do so. My cousins, aunts, uncles and friends in Brazil you guys are still part of my life. Rodrigo, I still can’t believe you came over here (it was priceless).

Francisco, Spu and Dani, thanks for the second chance, and Flavia, Mathius and Bruno, you all made my life in Palmy and NZ so much easier and even have made me forget about Brazil sometimes. I am sure I wouldn’t have stayed here if you were not around.

Ivan Simpson for the friendship, advice all the editing and the free English classes. I know it must have been really boring to read all those poorly written assignments and to understand what I was saying and put it in readable English. You probably know more about Logistics than myself now 😊.

Alan Win for giving me the chance to do the Masterate, and Professor Norman Marr for all the supervision and advice.

The Batt Street and associates for all the good times, parties, barbeques and for accepting me in the group.

And last but not least, all the people who helped me in so many ways to get this work done.

Thank you all

Luis
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