SAP **Food Industry**
Next Level Thinking
Enhancing the Value of Your Current Implementation

SAP® Partner
Open Ecosystem

Questions to Consider:

Are you getting the most from your SAP® solution? Did you compromise scope to achieve budget?

How much of your SAP® software functionality are you actually using – even 50%?

Are you still satisfied with your approach to milk costing? Do you have what you need to analyze profitability?

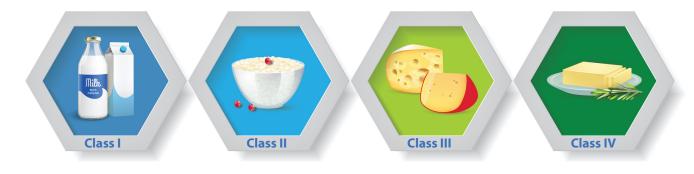Are you ready to tweak your SAP® software to realize its full potential while continuing current operations?

CAT'S SAP® SOFTWARE OPTIMIZATION FOR DAIRY

The dairy industry has unique challenges – not only because of the high perishability of the fluid milk product – but also the traceability of that raw product as it's processed within the four "classes of milk" (as defined by the Federal/State milk class pricing).

Class I - Fluid milk products

Class II – Milk in soft manufactured products such as sour cream, cottage cheese, ice cream, yogurt

Class III – Milk in hard cheeses

Class IV – Butter, butterfat, and non-fat dry milk

Because of the pricing complexity inherent in costing each saleable product to determine what farmers get paid, dairy processors and distributors need an ERP system like SAP® software to handle this level of complexity. While SAP® software does the heavy lifting in planning and pricing, C&A Technology (CAT) consultants are experts in the dairy industry and can help you fine tune your SAP® solution for maximum profitability.

SAP® SOFTWARE ADDRESSES THE 4 CLASSES OF MILK

| Class I | Class II | Class III | Class IV |

OVERCOMING THE COMPLEXITIES OF DAIRY

The main challenge that dairy processors and distributors face is determining retro pricing for Class I-IV milk products. The revenue from milk to the farmer/cooperative is generally based on what the raw milk becomes and the traceability of the raw milk from the farm to the various stages of processing. An additional challenge is accurate traceability when the milk is co-mingled with other fluid milk to determine the exact source. In additon, the cost of the finished milk components determines what the farmer/cooperative gets paid, but there are variables like a farm's percentage ownership that determine the financial settlement to farmers.

There are complexities around calculating settlement costs and profits when the milk component has been sold. The average ERP struggles with retroactive adjustments to cost when milk components have already been sold, which inhibits the ability to accurately calculate profits. This is why SAP® S4/HANA® is the best fit for the dairy industry because of its high configurability and its ability to generate requirements needed for integrated fluid materials management.

But what if it's been awhile since your SAP® system has been updated to perform how your operations run today?

CAT's SOLUTION FOR THE DAIRY INDUSTRY

CAT brings decades of experience and expertise in both SAP® software and the dairy industry. This combination gives you a powerful way to update your SAP® system to maximize your ROI and profitability by:

UPDATING YOUR SAP® SOFTWARE
If your SAP system was installed years ago and is not updated for your current dairy/customer operations, you risk making less than your full potential

FINE-TUNING YOUR SAP® SYSTEM
Fine-tuning your SAP system for costing methods, milk balancing, and supply chain processes

SAP® SYSTEM OPTIMIZATION
Optimizing older systems for today's market infrastructure

MINIMIZE BUSINESS DISRUPTION
Running business normally while CAT optimizes and tweaks SAP® software, tests the new solution, and moves it into production on your preferred business cycle to minimize disruption

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For more information on CAT's SAP® solutions and services, visit:
www.catechnology.com

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