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**Inventory Control**

**1. Introduction**

This document outlines procedures for implementing an effective inventory control system within a food manufacturing facility (NIC Code 10101). Efficient inventory management is crucial for minimizing waste, optimizing production processes, and ensuring product availability.

**2. Inventory Tracking System**

* Method Selection: Select an appropriate inventory tracking system that meets the needs of the facility. Options include manual systems, spreadsheets, or dedicated inventory management software.
* Data Accuracy: Ensure the accuracy of inventory data through regular stock counts and reconciliation.
* Data Integration: Integrate the inventory system with other relevant systems, such as production planning and purchasing systems, for seamless data flow.

**3. Stock Levels and Reorder Points**

* Demand Forecasting: Implement accurate demand forecasting techniques to predict future demand for materials and products.
* Reorder Points: Establish reorder points for each item to ensure sufficient stock levels are maintained without excessive overstocking.
* Lead Times: Consider lead times for the procurement of materials when setting reorder points.

**4. Inventory Management Techniques**

* FIFO (First-In, First-Out): Implement FIFO inventory management to ensure that older items are used before newer items, minimizing spoilage and waste, particularly crucial for perishable goods.
* Inventory Optimization: Regularly review and optimize inventory levels to minimize storage costs and prevent obsolescence.
* Cycle Counting: Conduct regular cycle counts to verify inventory accuracy and identify discrepancies.

**5. Compliance Notes**

* Food and Drug Administration (FDA): Inventory management practices must comply with FDA regulations regarding product traceability and recordkeeping.
* Good Manufacturing Practices (GMP): Adherence to GMP guidelines is critical for maintaining product quality and safety.

**6. Practical Guidelines**

* Regular Audits: Conduct periodic audits of the inventory management system to ensure accuracy and effectiveness.
* Staff Training: Train all personnel involved in inventory management on proper procedures and best practices.
* Technology Adoption: Consider implementing barcode scanning or RFID technology to enhance inventory tracking accuracy and efficiency.

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