TIP 4 – MISMATCH IN DEMAND AND SUPPLY

As the supply and demand are not the same for all months, it can be useful to check – based on the information in the data sheet – the differences between the milk supply and the customer forecast in each month.

TRANSACTIONAL DATA								
Expected Milk Supply					**Forecast**			
	Farmer_1	Farmer_2	Farmer_3			Cust_1	Cust_2	Cust_3
M1: JAN-2018	300	300	300		M1: JAN-2018	300	250	300
M2: FEB-2018	300	350	300		M2: FEB-2018	300	250	300
M3: MAR-2018	300	400	300		M3: MAR-2018	200	200	450
M4: APR-2018	300	300	300		M4: APR-2018	200	250	400
M5: MAY-2018	300	300	300		M5: MAY-2018	250	250	350
M6: JUN-2018	250	300	300		M6: JUN-2018	0	400	450
M7: JUL-2018	250	250	300		M7: JUL-2018	300	250	300
M8: AUG-2018	200	250	250		M8: AUG-2018	350	200	300
M9: SEP-2018	250	200	200		M9: SEP-2018	300	250	300
M10: OCT-2018	250	250	300		M10: OCT-2018	350	200	300
M11: NOV-2018	250	300	300		M11: NOV-2018	300	250	300
M12: DEC-2018	300	300	300		M12: DEC-2018	300	250	300

- It could be necessary to build up inventory if the supply of milk < demand of milk during certain months.
- As the holding cost of packaged milk is very high, powder is the preferred way of storing milk.
- Considering the BOMs of powder, raw milk and packaged milk, you will need one raw milk to produce one packaged milk through powder.