



# Produce Traceability Initiative Best Practices for Cross Docking and Load Only Services

(Revision 1.1)

## About this Best Practice Guideline

*Best practices* are generally accepted, informally-standardized techniques, methods or processes that have proven themselves over time to accomplish given tasks. The idea is that with proper processes, checks and testing, a desired outcome can be delivered more effectively with fewer problems and unforeseen complications. In addition, a "best" practice can evolve to become better as improvements are discovered. The Produce Traceability Initiative (PTI) is a voluntary U.S. produce initiative. The best practice documents are the recommendations created and agreed to by all facets of the produce industry supply chain and PTI Leadership Council.

Consent between trading partners may replace specific recommendations as long as the minimum traceability information requirements are met in good faith.

## Revision History

This section itemizes the changes from the last published Best Practice.

Version No.	Date of Change	Changed By	Summary of Change
1.0	September 2009	Supplier Subgroup	Created
1.1	December 2011	Communications Working Group	Revised formatting to be aligned with new best practice template

## Objectives

The objectives for establishing best practices for cross docking/load only services are to:

- meet the requirements of the Produce Traceability Initiative (PTI);
- create and maintain efficient shipping and receiving processes for cross docking/load only operations; and
- maintain effective document reconciliation processes and formalize current industry practices.

## **Introduction**

The Produce Traceability Initiative is focused on “case level” tracking. As a result of the unique nature of the fresh foods supply chain, growers, suppliers, distributors, and buyers may need to arrange for cross docking and/or load only services in order to move products along to their ultimate destination in the most time- and cost-effective manner possible while also documenting each step properly for all stakeholders involved in the process. This best practice document has been created to provide step-by-step guidance to ensure that the objectives above can be met.

### **Table 1: Terms/Definitions**

Listed below are terms used by the produce industry and their definitions:

<b><u>Sector Term</u></b>	<b><u>Definition</u></b>
<ul style="list-style-type: none"> <li>• Cross Dock</li> </ul>	An enterprise that provides services to transfer goods from one piece of transportation equipment to another.
<ul style="list-style-type: none"> <li>• Cross Docking Service</li> </ul>	<p>The logistics practice of unloading materials from an inbound trailer or rail car, and loading these materials directly into outbound trailers or rail cars, with little or no storage in between. This service is typically provided by a grower/shipper or third-party provider to a produce buyer under contractual arrangement. The buyer for whom the cross docking services are being provided arranges with the produce supplier(s) to have product delivered to the cross docking service provider’s facilities in “ready to ship” pallet configurations for subsequent loading on the buyer’s carrier(s).</p> <ul style="list-style-type: none"> <li>• The cross docking service provider handles pallets of product from various brand owners for a buyer to eliminate the need for multiple pick-up points, and to achieve transportation efficiencies.</li> <li>• No change to the pallet configuration ever occurs in the cross-docking facility.</li> <li>• If this service is provided by a grower/shipper, the grower/shipper’s product may or may not be a part of the items being cross docked.</li> </ul>
<ul style="list-style-type: none"> <li>• “Load Only” Service</li> </ul>	<p>This is a service provided by a supplier for a produce buyer, under contractual arrangement, whereby the buyer wants to also have other supplier(s) product loaded on a shipment for an order placed with the “load only” service provider. The service provider receives “ready to ship” product on pallets from suppliers for subsequent loading and transporting on the shipment specified by the buyer.</p> <ul style="list-style-type: none"> <li>• Pallet configurations are not changed in the “load only” service provider’s facility.</li> <li>• If this service is provided by a grower/shipper, product of the grower/shipper providing the service may be included in the same load as the “load only” product.</li> </ul>
<ul style="list-style-type: none"> <li>• Consolidation</li> </ul>	Collecting smaller shipments to form a larger quantity to realize lower transportation rates.
<ul style="list-style-type: none"> <li>• Consolidation Service</li> </ul>	The practice of aggregating customer orders until a specified minimum total shipment weight/volume is reached and/or a maximum holding time for the oldest order is reached. The aggregated customer orders are then shipped together. This service is performed under contractual arrangement.

<b>Sector Term</b>	<b>Definition</b>
<ul style="list-style-type: none"> <li>• Consolidation Point</li> </ul>	The location where consolidation takes place.
<ul style="list-style-type: none"> <li>• Consolidator</li> </ul>	An enterprise that provides services to group shipments, orders, and/or goods to facilitate movement.

## **Best Practices for Cross Docking/Load Only Services**

### **Scenario 1:**

Suppliers may provide cross docking/load only services for a single trading partner under contractual arrangement. Cross docking/load only allows for products received from multiple brand owners to then be consolidated for shipment to a specific buyer. The details pertaining to the product to be received may not be communicated to the cross docking/load only facility until the day of receipt, which may be the same day the outbound shipment is made. The product is not recorded in the cross docking warehouse management system (inventory).

The cross docking/load only facility simply handles pallets to eliminate multiple pick up points for transportation efficiencies and no change to the pallet configuration occurs. The cross docking/load only facility is not considered a trading partner for transactional purposes. Recording of Global Trade Item Numbers<sup>®</sup> (GTINs<sup>®</sup>) is not requested or required.

### **Supplier Action**

- The cross docking/load only facility receives a detailed communication/report from the buyer to alert the facility to expect shipments from other brand owners.
- As the inbound product, including a bill of lading from the original supplier, is received at the facility, personnel verify that the quantity and type of product received matches the previously-received report.
- All discrepancies are noted manually on the bill of lading that the cross dock/load only facility receives from the original supplier.
- If product is received at the cross docking/load only facility in damaged condition, then the cross docking/load only facility notifies the responsible supplier for resolution of the situation.
- Product that is cross docked is not re-packed or commingled in any way.
- The buyer's transporter provides the cross docking/load only facility's loading personnel with specific details as to which supplier/brand owner's order is to be loaded.
- The product is shipped on the same pallet and in the same form/configuration as it was received.

- Once the outbound transport vehicle has been loaded, the shipment information is communicated by the cross docking facility personnel to the respective trading partner who initiated the cross docking request.
- The cross docking/load only facility must adhere to Bioterrorism Act of 2002 requirements and maintain a record of the cross docking/load only activity.

### Buyer Action

- The buyer communicates to the cross docking/load only facility the number of pallets to be cross docked for that particular day.
- The buyer must also communicate to their transporter the specific pick-up information that is to be loaded at the cross docking/load only facility.
- The buyer must coordinate pick up schedule date and/or with the cross docking/load only personnel.

### Scenario 2:

At times, a buyer will request that a supplier cross-dock half pallets of product from multiple brand owners to be consolidated for shipment, to achieve transportation efficiencies. The details pertaining to the product to be received may not be communicated to the cross docking facility until the day the produce is received, which may be the same day the product shipped outbound. The product is not recorded in the cross docking facility's warehouse management system (inventory).

The cross docking facility handles half pallets to eliminate multiple pick-up points for transportation efficiencies.

The cross docking/load only facility is not considered a trading partner for transactional purposes. No recording of GTINs on the cross docked product is required, although the Bioterrorism Act of 2002 does apply.

### Supplier Action

- The cross dock/load only facility receives a detailed communication/report from the buyer trading partner to alert the facility to expect shipments from other brand owners.
- As the product is received, the cross dock/load only facility's personnel verifies the quantity and type of product received matches the previously received report.
- Discrepancies are noted manually on the bill of lading that the cross docking/load only facility receives from the original supplier.

- The cross docking/load only personnel may create a full pallet by adding product from one of the buyers' other suppliers.
- When creating a full pallet from other partial pallets, the cross docking/load only personnel will leave the original Hybrid Pallet Labels in place.
- If the cross dock/load only facility is creating a full pallet using a half pallet that was received for cross docking with product that is ordered from the cross dock facility, a new hybrid pallet tag will be created for the additional product following the PTI's [Best Practices for Hybrid Pallet Labeling](#).
- The original pallet label for the cross docked half pallet remains with the newly formed full pallet.
- Thus what was once a half pallet becomes a full pallet for loading and will have two separate Hybrid Pallet Labels accounting for all of the GTINs on the specific pallet.
- Stacking half pallets on top of each other may be requested by the buyer, resulting in no handling of individual cases of product.

The buyer's transporter provides the cross docking facility loading personnel specific details as to which supplier order is to be loaded.

The product is shipped in the same form and configuration as it was received except that the half pallets may be combined to create whole pallets or half pallets stacked on top of each other.

Once the transport vehicle has been loaded, the shipment information is communicated by the cross docking facility personnel to the respective trading partner who initiated the cross docking request.

The cross docking/load only facility must adhere to the Bioterrorism Act of 2002.

#### Buyer Action

- The buyer approves creation of a full pallet by combining different suppliers' products onto one pallet and communicates to the cross docking/load only facility the number of pallets (full and partial) to be crossed docked for that particular day.

The buyer must also communicate to their transporter the specific pick up information that is to be loaded at the cross docking/load only facility and coordinate pick up schedule time/date with the cross docking/load only personnel.