



The Retail Impact of The Messy Middle

A REAL-LIFE CASE STUDY ON RECEIVING
POOR QUALITY FRESH PRODUCE AT THE RETAIL STAGE





The Challenges of Managing the "Messy Middle" for Retailers

In the AgriFood industry, it is difficult to track fresh produce along the supply chain due to disconnected visibility. Because of the multiple players involved, critical data regarding product quality is often not shared efficiently between stages in the supply chain.

Often times, buyers and retailers have no visibility on fresh produce products during pre-shipment. Quality issues will only be raised upon goods arrival, making it challenging to ensure consistent good quality supply. Receiving poor quality produce results in rejection-related loss of sales and food waste that can easily amount to thousands of dollars.

A Global Problem: Food Waste generated by Retailers



Food Waste Generated
Worldwide

US

13%

of total food waste, totaling a
10.5 million tonnes that go into
landfills annually in the US

EU

5%

of food waste problem
accounted for EU supermarkets

SG

15-20 pallets

of fresh produce rejected daily.
Each pallet contains between
500kg to 1 tonne of produce



Source:

[The Straits Time](#)

[FoodPrint](#)

[Global Citizen](#)



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How Receiving Poor Quality Produce Costs Retailers

A container of fresh produce can value between US\$50,000 to US\$150,000. When Retailers receive fresh produce that does not meet their product quality specifications, it negatively impacts their inventory and sales.

DID YOU KNOW?

Companies lacking effective quality management often have a 20% of loss of sales

- **Loss in sales** - where the rejection of fresh produce leads to a decrease in their stock count and inability to fill the floor, which leads to loss of total sales
- **Incurred costs not recovered** - especially during the Covid-19 pandemic, the rises in freight costs are at an all-time high making goods rejection even more costly

Source: [Sourcing Journal](#)

A Real-life Case Study



A retailer rejected an order for 8 containers of produce worth about US\$50,000 each, amounting to a whopping total loss of sales of US\$520,000.

High Cost of Managing Poor Quality Produce

A Retailer bought fresh grapes from a Supplier and ended up suffering a huge loss of sales.

- Programme for 15 containers of fresh grapes by a supermarket buyer
- Lack of visibility on pre-shipment quality from the supplier to retailer
- 8 out of 15 containers rejected due to quality issues
- Inefficient communication between QC team and Commercial team regarding quality
- Loss of sales from 8 containers amounted to estimated at over **USD\$520,000**
- Entire programme had to be cancelled and discontinued





No Data, No Visibility

Often, retail stores receive goods that do not fulfill order specifications or products that have some form of quality issues. Moreover, the defects are only known when the fruit or produce has arrived due to a lack of product visibility along the supply chain. This makes trade managing fresh produce challenging for retailers:

Unable to see
pre-shipment
product quality
and container
loading



Unable to quickly
respond to inventory
changes due to
rejections from
quality defects



Unable to easily
and effectively
communicate
defects between
internal teams



Created by Trade, for Trade



See the full picture with Insightful Trade Data

From Produce, Trade to Market, DiMuto AgriFood Trade Solutions have 8 key Product Features that help you gain visibility of the in-betweens in your supply chain

An all-in-one, farm to fork platform

Our 8 Product Features include:

- Farm Management
- Production Management
- Trade Management
- Inspection & Standards Management
- EmVend Marketplace
- SMART Marketing
- Payment Management
- Financial Services



How DiMuto Helps

Increased Visibility of Post-shipment Quality Control Inspections within Retailer Organization

Overview



Product Title	Green Seedless Grapes		
Date	30/4/2020		
Business Supplied To	Giant / CS		
State		Country of Origin	Egypt/ South Africa/ Aust/ US/ Mexico/India/Spain/Greece/China
Supercedes	APN/PLU		
Crate Weight (Minimum)			
Pack Life	7 Days	Customer Life	3-4 Days



Physical Tests



Test	Accept/Pass Criteria
A. Variety	Thompson/Sundance/Prime/Sugarone/ Prime/ Early Sweet/ Green Green/ Autumn King/ Stella Bella/ Sweet Globe/ Menindee/Cotton Candy/Autumn Crisp/Jumbo Crisp/ Arra 15/ Arra 30/ Sugar Crisp
B. Colour	Full green OR slightly creamy yellow OR pale greenish berries (COO dependent)
C. Appearance	Practically free from visible defects, well-formed and developed stalk and have their berries free from scarring on berries. Berries sizes at least 14mm
D. Eating Quality	Firm and crisp, sweet
E. Maturity	Table grapes must be ripe with refractometer reading of 14° and above
F. Brix	14° and above
G. Firmness	Fresh smooth skin firm
H. Size	Berry Diameter average with >10% Berries <10mm
I. Shape	Ellipsoid
J. Major Defects	Physical or Pest Damage Evidence of mould, decay, bruising, or other physical damage Major Defects: ≤ 5%
K. Minor Defects	Physical or Pest Damage



Acceptable

Out of Grade









Slight Yellowing (Autumn Crisp)

Heavy Translucent/Soft with browning

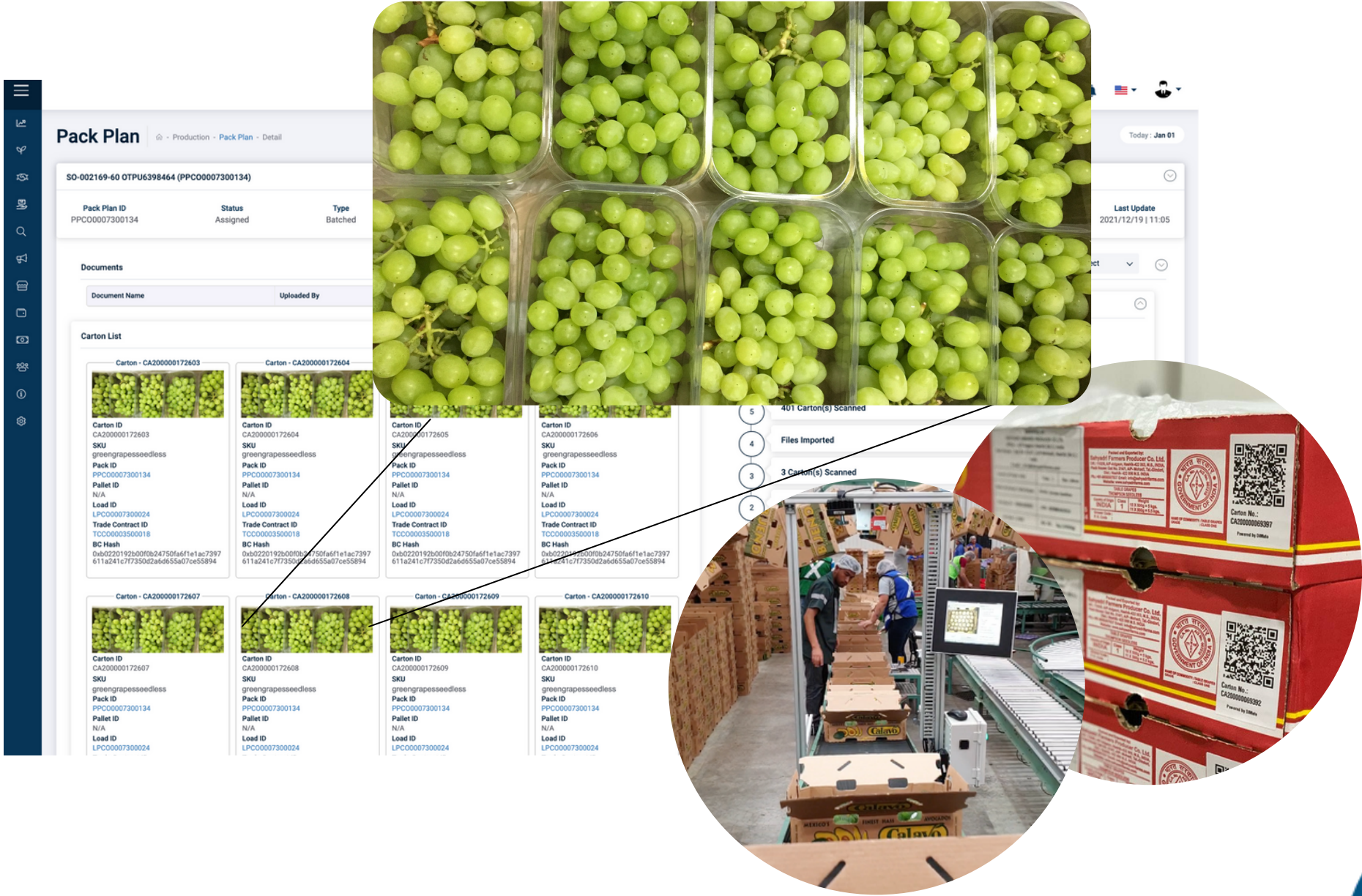
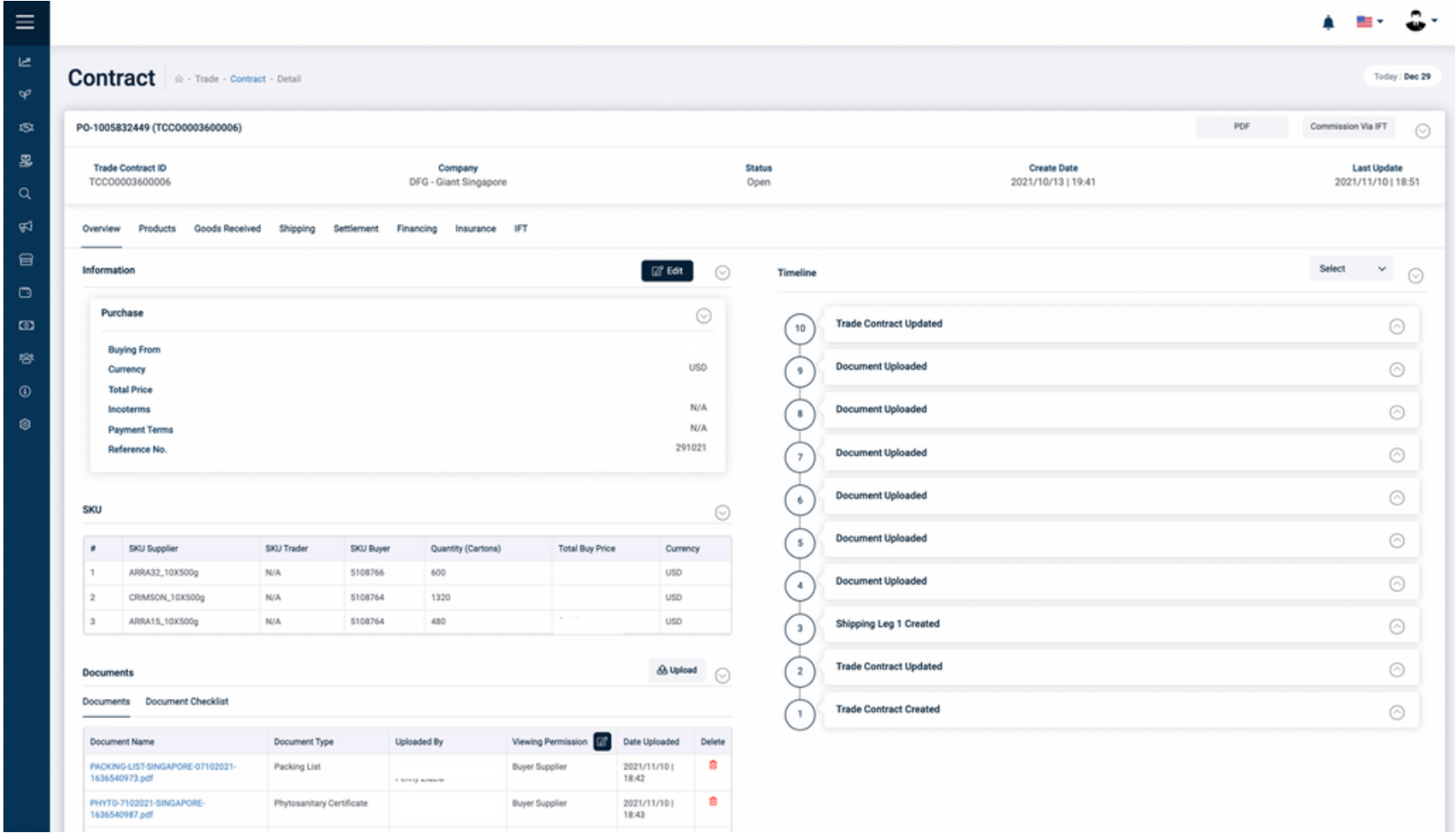
Digitalize Product Specifications with Inspection Forms to Ensure Consistent Standards

Easily Conduct, Record and Share Product Quality Information via DiMuto Inspection Management

Automatically Generate Inspection Reports tagged to each order and Access Inspection Performance Dashboard

Bringing Visibility to The Trade

Making all parts of the trade easily visible and accessible to relevant teams within the Retailer



All sales shipping, and document data uploaded in one place with Trade Timeline on DiMuto Trade Management

Product digitalized with DiMuto Digital Identity (DID) Labels and DACKY by Vendor to capture pre-shipment quality



DiMuto Creates Trade Visibility for The "Messy Middle"

With DiMuto, Retailers can now enjoy accessible visibility of pre-shipment and post-shipment quality to better manage any potential loss of sales



Pre-shipment product quality down to every single carton easily accessible to commercial team



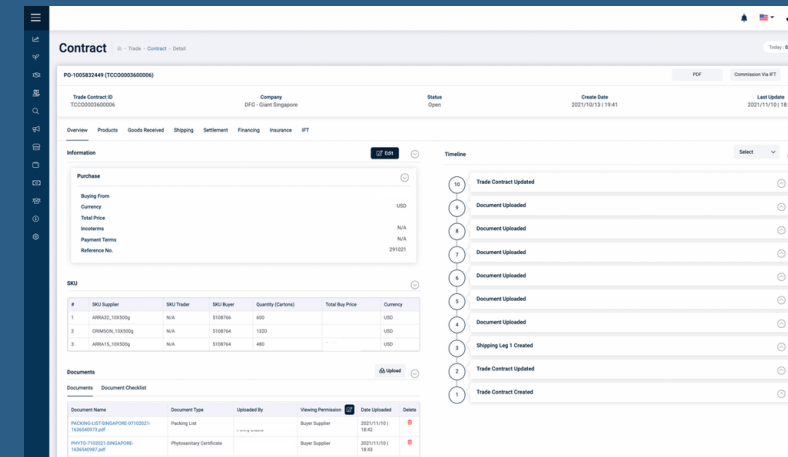
Trade information, documents and actions of each trade seamlessly recorded and presented in timeline view



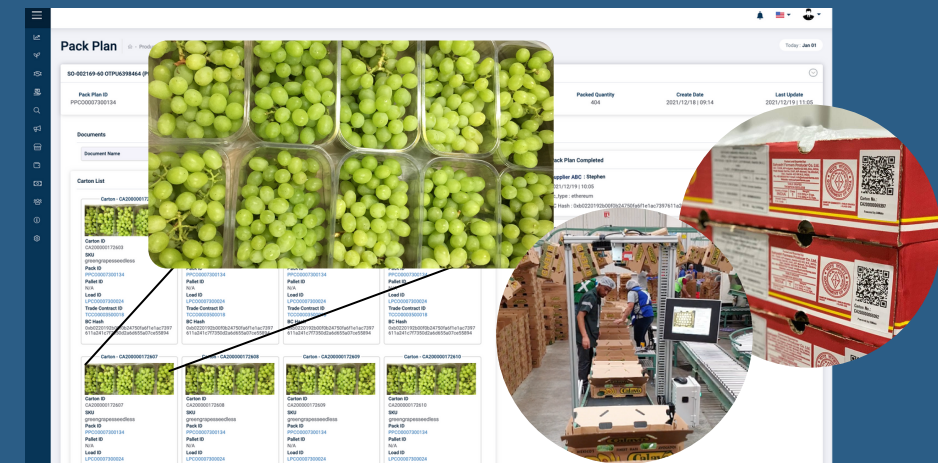
Post-shipment product quality efficiently captured and communicated between QC, commercial and retail teams



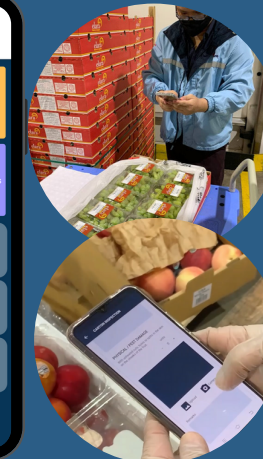
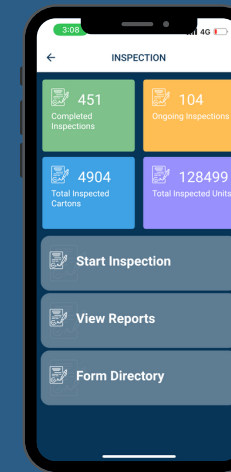
Dashboard view of Inspection Management to ensure optimal product quality and vendor performance



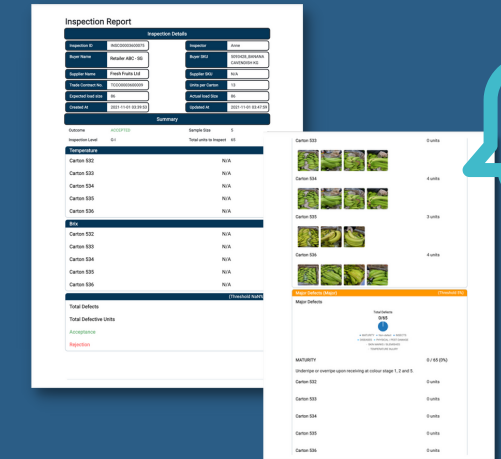
Sales, shipping, and document data uploaded in one platform



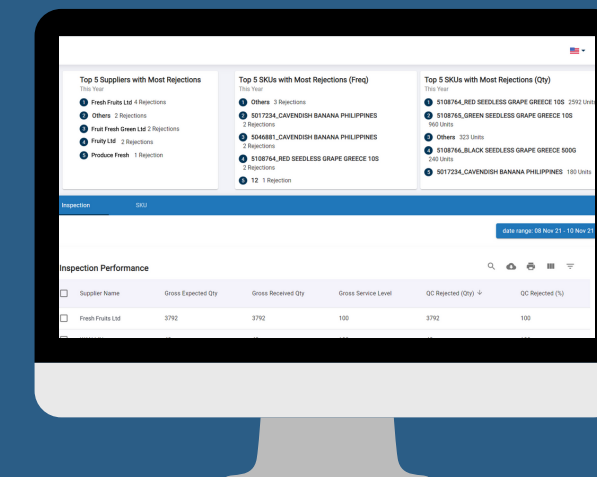
Product digitalized with DiMuto DIDs for pre-shipment quality



Record Goods Receipt and conduct QCs via DiMuto App



Share product data & alert relevant teams of operational issues



Evaluate and manage overall product quality for the fresh produce team across vendors





Get Our Solutions Demo

contact_us@dimuto.io



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