



Case Study: First Milk

Overview

Bibby Distribution & First Milk have worked in partnership since 1994. The contract has almost quadrupled in size within that time and Bibby Distribution ensures that over 1.3 billion litres of milk is collected and delivered every year.

Customer

First Milk is the largest dairy farmer co-operative in the UK, handling 1.7 billion litres of milk a year. Their members' farms stretch from Central Scotland to the South of England and from West Wales to East Anglia.

Current situation

The contract covers the farm collection of milk using dedicated tankers over 11 milk fields. Bibby Distribution runs the tankers to remote and challenging locations on a 24/7 basis, running 365 days a year. In addition to milk collection Bibby operates a separate trunking fleet.

Service Offering

- Farm collection
- Trunking operation
- Provision of modern, efficient, specialist milk collection vehicles
- Collection route planning and optimisation reducing operating cost
- Mobile and flexible management team
- Lightweight high-load capacity secondary distribution tanks and tractor units
- The Bibby Distribution contract management and milk collection depot management staff are trained to manage continuous improvement projects which ultimately benefit the customer



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- All of the drivers working on First Milk contracts have been or are in the process of being SAFED trained. SAFED is the recognised 'safe and fuel efficient driving' training program
- A member of the Bibby maintenance staff has been trained to analyse and repair specialist milk metering and pumping systems reducing third party repair costs and vehicle downtime

Contract Evolution

1994 Original contract was with the Scottish Milk Marketing Board, based at Paisley which became Scottish Milk Ltd after deregulation

1996 Bibby Distribution awarded a 3-year contract for Stranraer, Campbeltown, Dumfries and South Cumbria

1999 Awarded a further 3-year contract inclusive of a new milk field in Lanarkshire

2001 Scottish Milk merged with Axis (the co-operative for central England) under the new name of First Milk Ltd

2004 First Milk merged transport synergies with Dairy Farmers of Britain, with the intention of taking transport costs out of the joint co-operatives budget. Bibby Distribution was awarded 4 new milk fields in Rothesay, Mauchline, Lockerbie and North Cumbria. Taking Bibby's total to 8 milk fields, with a combined aggregate milk collection volume in excess of 1 billion litres per year

2010 Bibby Distribution were successfully awarded 3 further milk fields in the South West region coupled with the planning of First Milk's entire secondary requirement for England, Wales and Scotland



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Benefits

- Operating costs reduced by £700,000 during 2009
- Further significant cost reductions have been identified and will be delivered during 2010
- SAFED driver training funded by Bibby has improved mpg performance and reduced vehicle related accidents
- Continuous improvement projects at milk collection depots have reduced waste, washing water usage, waste water disposal charges, heating and power costs and cleaning chemical use
- The management structure Bibby Distribution supply to First Milk provides a solution which is flexible, cost effective and efficient. A combination of contract specific management resource and Bibby Distribution centralised support staff with specialist skills are deployed where and when they are needed
- Successfully reducing the carbon footprint and in conjunction the operational costs, through efficiencies that have delivered a 6.4% reduction in total kilometres run

Testimonial

"First Milk and Bibby Distribution have a working relationship stretching back a number of years. Over this time, our relationship has evolved to one of partnership - tackling challenges together and continually striving to deliver a world-class service to our farmers and customers. Indeed, we continue to grow our partnership, by exploring strategic projects, which will ultimately benefit both of us. Given the demanding nature of our business, we rely on our hauliers to provide us with the flexibility and speed to meet all of our needs - and Bibby continually strives to deliver. We look forward to an even more successful partnership going forward."

Mark McQuade, Executive Director, First Milk Ltd