

Strategic insights for profit maximization in the pork industry

Explore the power of the DMRI Pork Profit® services through a strategic consultancy survey designed to uncover the economic improvement opportunities within your pork business. Obtain valuable insights and recommendations to elevate profitability and streamline operations effectively.



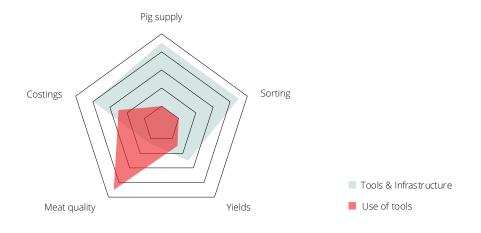
Value creation in the pork industry

The meat industry, particularly in pork, is characterized by certain peculiarities that distinguish it from other industries:

- The primary raw material, live pigs, is inherently variable in weight, size, and meat/fat composition – there are no two identical pigs.
- Production follows a disassembly process where different products are obtained from a single raw material.
- Each primal cut within the carcass can be deboned according to various product specifications, each with different market value. This creates a range of possibilities where not all options are equally profitable.
- The cutting and deboning process is mainly done by hand by a large number of workers at a fast pace.
- The performance of these workers determines not only the yield obtained for each cut but also the quality of each product.
- Handling live pigs, their slaughter process, and the chilling of the resulting carcasses significantly impact the quality of the final product.

In this context, successful meat industries excel in:

- Optimal Sales: Diversifying and identifying the most profitable market options, supported by suitable costing and pricing tools to flexibly compare different alternatives.
- Optimal Quality: Providing quality products to customers within specifications consistently over time, which opens doors to the most profitable market opportunities.
- **Optimal Yields:** Producing the maximum yield compatible with product specifications for the most valuable items.
- Optimal Carcass Utilization: Leveraging grading tools to optimize carcass utilization, ensuring that the right carcass is used for each product specification.
- Optimal Pig Supply: Quantifying how the measurable characteristics of pigs contribute to profit according to sales and using classification tools to drive pig supply towards the optimal values.



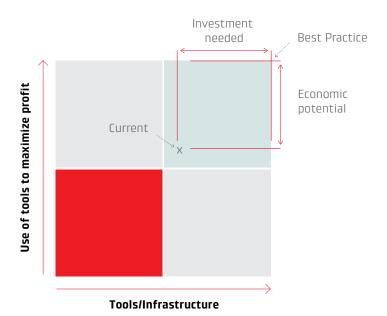
DMRI Pork Profit®

A suite of services and software tools to boost your profit

With over 70 years of experience collaborating with the global meat industry, DMRI is familiar with all these critical factors that differentiate profitable companies from non-profitable ones. Using our accumulated experience and expertise, we have developed DMRI Pork Profit ®, a suite of services and software tools designed to enhance profitability for pork companies:

- 1. DMRI Pork Pricing: Optimizing sales product mix.
- 2. DMRI Pork Quality: Ensuring optimal meat quality.
- 3. DMRI Yield Boost: Maximizing cutting and deboning yields.
- 4. DMRI Pork Sorting: Optimizing carcass utilization.
- 5. DMRI Pig Purchasing: Securing optimal pig supply.

PERFORMANCE MATRIX



Expedite improved profitabilityDMRI Pork Profit Survey

To gauge a company's potential in these five key areas, we introduce the DMRI Pork Profit Survey. This survey aims to provide a comprehensive analysis of a company's value chain, identifying opportunities for enhancement and profit maximization:

- Scope: A senior consultant specializing in data analysis and operations improvement in the meat industry explores possibilities related to pricing and costing systems, carcass sorting, and optimal pig supply based on available classification tools. Another specialist in cutting and deboning focuses on the processes of slaughter, cutting, and boning to determine potential improvements in yields. Lastly, a meat quality specialist assesses and measures the impact of production processes on meat quality.
- Evaluation: Existing information and procedures establish the Baseline in each area, to be compared with Best Practices, thus allowing us to demonstrate an estimation of the Potential Economic Improvements.
- **Duration**: The survey is conducted on-site for two weeks. At the end of the second week, preliminary conclusions are presented in a closing meeting. Later, DMRI team delivers a final report for review, which is discussed with the company via Teams.
- Action Plan: The survey report highlights areas for improvement and suggests actions to achieve them.

Moving forward with DMRI

Based on the study results, DMRI will propose a catalogue of prioritized projects and services to continue the improvements in value creation. Throughout this process, your company will not only receive an objective quantification of improvement possibilities but also gain valuable insight on how to utilize the available measurement tools and data to achieve it.

DMRI — Food innovation for the future





