



Large scale supply chain operations in the food industry

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- Motivation
- Problem statement
- Modelling approach
- Solution strategy: Optimization models and packing heuristic
- Instances and results
- Interface
- Final remarks



Motivation

- Designing and operating a supply chain efficiently improves profit margin.
- In addition, increasing customer requirements of variability, speed and affordability are better meet (Chopra, 2003).
- In the food industry, where transport cost are significant (15% to 30% of operational costs), this fact is crucial.
- Information systems help ensure necessary high-quality standards, including sustainability concerns and reduce waste from spoilage (Denof et al., 2018)



Motivation

- Some studies suggest that 40% of food waste is associated with inefficient supply chain operations (Parfitt et al., 2010).
- We develop a model and algorithm to optimize the daily transportation of products nationwide for a relevant food producer in Chile (Agrosuper).
- In their problem, trips can visit multiple plants or demand points with specific constraints related to the transport of different products.





Motivation

- We consider stock at production plants of fresh and frozen products (chicken, pork, turkey, salmon, frozen vegetables) to meet a nationwide demand at large consumers and company's distribution centers.
- The main objective is to meet demand for products at minimum transport cost.
- A second objective is to minimize empty transport capacity of the fleet used to meet demand (truck filling problem).





Problem statement

- The company supplies over 50% of the Chilean market (chicken 56%, pork 53%, turkey 62%,) and produces 1.2 million tons of product a year.
- A typical daily operation involves transporting about 2200 tons of more than 1000 different types of products from 7 production plants to about 30 distribution centers and 40 additional large clients using more than 120 different container trucks (25 tons).
- The resulting problem could be conceived as a multi-commodity two-echelon distribution problem, commonly found in applications to the supply chain of the fresh food industry (Flores and Villalobos 2018)





Literature review

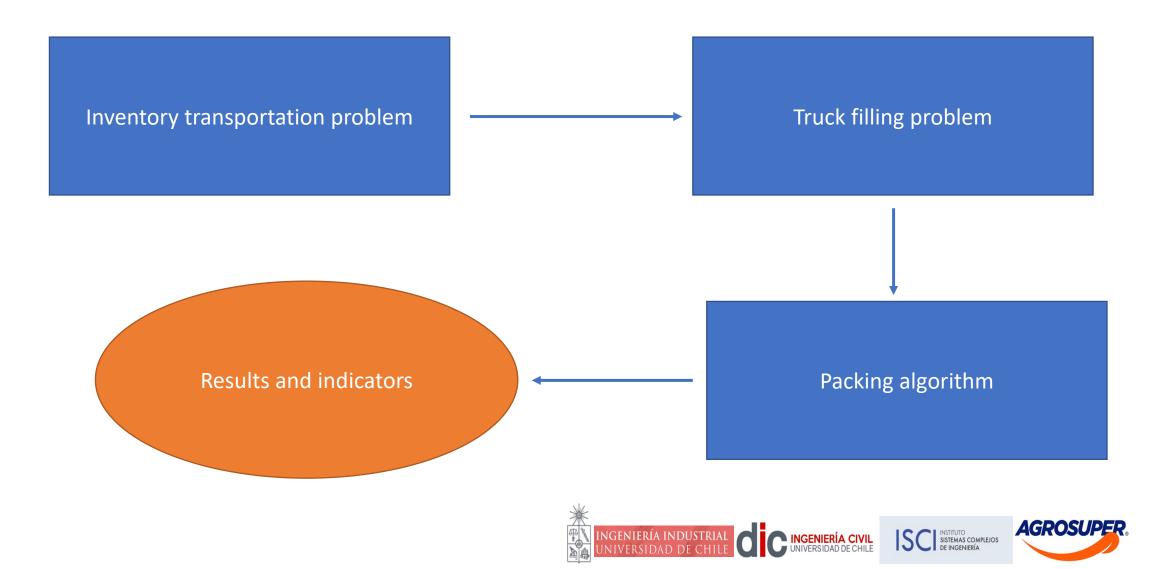
- This problem was recently formulated as a MIP by Archetti et al. (2021), with the goal of minimizing the total transport cost from suppliers to customers. The problem is decomposed in collection and delivery, and solve it through an Adaptive Large Neighborhood Search algorithm.
- Dellaert et al. (2021) studied the one-to-one pickup and delivery problem in a two-echelon distri- bution system. Several metaheuristics have been proposed lately to deal with two-echelon VRP schemes; in this sense, the best methods explored nowadays belong to the large neighborhood search type (Breunig et al., 2019).
- Exact algorithms for two-echelon VRPs are much less frequent in the literature (Baldacci et al., 2013).



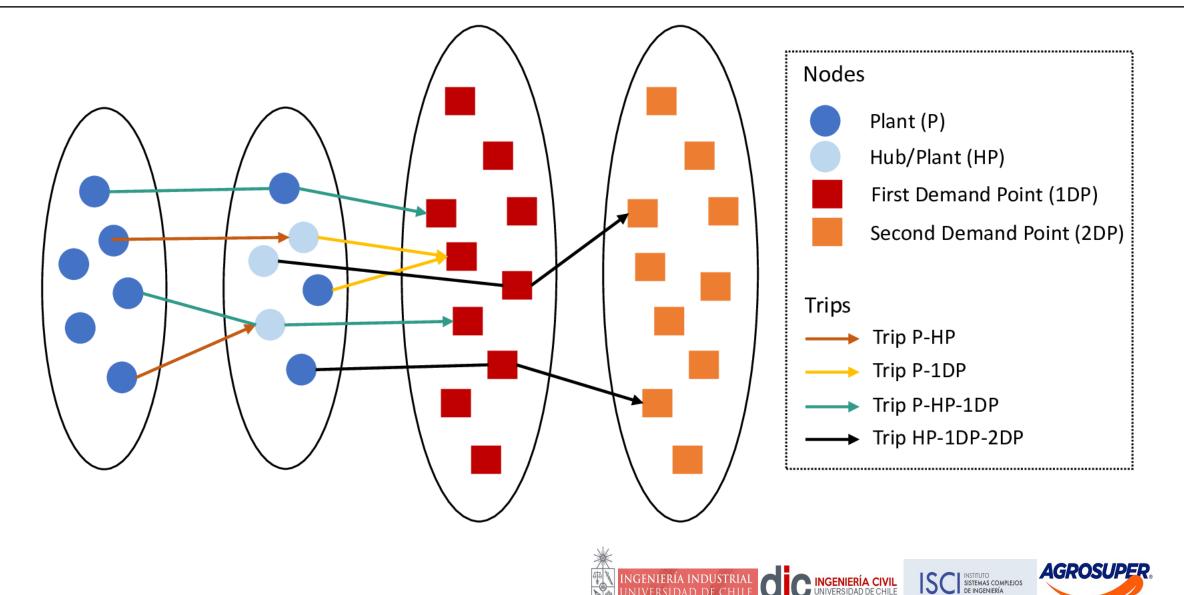
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Modeling approach



Decision variables

Variables that account for product flow, weight and pallets on direct trips between a plant and distribution center, for each arc $(i, j) \in I' \times J$

- x_{hgij} : Number of boxes of product h, of group g, sent from i to j
- p_{ijf} : kg of products of family f sent from i to j
- z_{ijf} : Number of pallets with products from family f sent from i to j (integer)
- zc_{ij} : Number of pairs of frozen pallets sent from *i* to *j* (integer)

Variables that account for product flow, weight and pallets on consolidation trips for each triplet $(l,i,j)\in I\times\overline{I}\times J$

- x_{hglij}^r : Number of boxes of product h, of group g, sent on a consolidation trip from $l \in I$ to $i \in \overline{I}$ and then to $j \in J$.
- p_{lijf}^r : kg of products of family f sent from l to i and then to j
- z_{lijf}^r : Number of pallets with products from family f sent from l to i and then to j (integer)
- zc_{lij}^r : Number of pairs of frozen pallets sent from l to i and then to j (integer)

Decision variables (cont.)

Variables that account for product flow, weight and pallets on plant-plant-distribution center, for each triplet $(l, i, j) \in A^2 \subseteq I \times I' \times J$

- x_{hglij}^2 : Number of boxes of product h, of group g, sent on a plant-plant-DC trip from $l \in I$ to $i \in I'$ and then to $j \in J$.
- p_{lijf}^2 : kg of products of family f sent on a plant-plant-DC trip from $l \in I$ to $i \in I'$ and then to $j \in J$.
- z_{lijf}^2 : Number of pallets with products from family f sent on a plant-plant-DC trip from $l \in I$ to $i \in I'$ and then to $j \in J$ (integer)
- zc_{lij}^2 : Number of pairs of frozen pallets sent on a plant-plant-DC trip from $l \in I$ to $i \in I'$ and then to $j \in J$. (integer)

Variables that account for product flow, weight and pallets on shared trips (plant-distribution centerdistribution center), for each triplet $(i, j, l) \in A^3 \subseteq I \times J \times J$

- $x_{hg\hat{j}ijl}^s$: Number of boxes of product h, of group g, sent on a shared trip from $i \in I$ to $j \in J$ and then to $l \in J$ that are delivered to $\hat{j} \in \{j, l\}$.
- p_{ijlf}^s : kg of products of family f sent on a shared trip from $i \in I$ to $j \in J$ and then to $l \in J$.
- $z_{\hat{j}ijlf}^s$: Number of pallets with products from family f sent on a shared trip from $i \in I$ to $j \in J$ and then to $l \in J$ and deliverd to $\hat{j} \in \{j, l\}$ (integer)
- zc_{ijl}^s : Number of pairs of frozen pallets sent on a shared trip from $i \in I$ to $j \in J$ and then to $l \in J$. (integer)

Decision variables (cont.)

Demand and offer variables

- o_{hgi}^1 : Number of boxes of product h, group g, that leave from $i \in I$ (in a plant-plant-distribution center or consolidation trip)
- o_{hqi}^2 : Number of boxes of product h, group g, that leave from $i \in I'$
- u_{hgj} : Number of boxes of product j, group g of unmet demand at distribution center j.

Truck trip variables

- y_{ijk} : Number of type k trucks that travel on the arc $(i, j) \in A \subseteq I \times \overline{I} \cup I' \times J$ (integer)
- y_{lijk}^2 : Number of type k trucks that traverse arcs $(l, i', j) \in A^2 \subseteq I \times I' \times J$ (integer)
- y_{ijlk}^s : Number of type k trucks that traverse arcs $(i, j, l) \in A^3 \subseteq I \times J \times J$ (integer)

Some distribution centers $j \in J$ manage inventory for two types of clients in that region that have different freshness requirements. These two types of clients are grouped into 1) the traditional market and food service clients and 2) the supermarkets. To differentiate these two types of clients we denote by x_{hgij_S} , $x_{hglij_S}^r$, $x_{hglij_S}^2$ and x_{hgjSij}^s the variables that represent the boxes of products sent to j to satisfy the demand of the supermarket type clients. The set J_S groups these distribution centers of supermarket demand, where $j_S \in J_S$ is the supermarket distribution center located in the distribution center $j \in S$. With these variables we define the following optimization problem.





Mixed integer optimization formulation

$$\min \sum_{k \in K} \left(\sum_{(i,j) \in A} c_{ijk} y_{ijk} + \sum_{(l,i,j) \in A^2} (c_{lik} + c_{ijk}) y_{lijk}^2 \right)$$

s.t.

Offer constraints

$$\begin{split} o_{hgi}^{1} + o_{hgi}^{2} &\leq Of_{hgi} \\ \sum_{l \in \overline{I}} \sum_{j \in J \cup J_{S}} x_{hgilj}^{r} + \sum_{l \in I'} \sum_{j \in J \cup J_{S}} x_{hgilj}^{2} \leq o_{hgi}^{1} \\ \sum_{j \in J \cup J_{S}} x_{hgij} &\leq o_{hgi}^{2} \end{split}$$

 $\forall h \in H, g \in G, i \in I$ $\forall h \in H, g \in G, i \in I$ $\forall h \in H, g \in G, i \in I'$

 $h \in H_f g \in G \hat{j} \in \{j, l\}$

$$\begin{array}{ll} \text{Demand constraints} \\ & \displaystyle \sum_{g' \in G: g' \geq g} \left(\sum_{i \in I'} x_{hg'ij} + \sum_{l \in I} \sum_{i \in \overline{I}} x_{hg'lij}^r + \sum_{l \in I} \sum_{i \in I'} x_{hg'lij}^2 \right) + \\ & \displaystyle + \sum_{g' \in G: g' \geq g} \sum_{(i,l,e) \in A^3 : j \in \{l,e\}} x_{hg'jile}^s + u_{hgj} \geq Da_{hgj} \quad \forall \ h \in H, \ g \in G, \ j \in J \cup J_S \\ & \displaystyle \sum_{g \in G} \sum_{j \in J \cup J_S} u_{hgj} \leq \overline{U}_h \qquad \qquad \forall \ h \in H \\ \end{array}$$

$$\begin{array}{ll} \text{Total weight per arc and family} \\ & \displaystyle \sum_{h \in H_f} \sum_{g \in G} (x_{hgij} + x_{hgijs}) KG_h \leq p_{ijf} & \forall \ (i,j) \in A, \ f \in F \\ & \displaystyle \sum_{h \in H_f} \sum_{g \in G} (x_{hglij}^2 + x_{hglijs}^2) KG_h \leq p_{lijf}^2 & \forall \ (l,i,j) \in A^2, \ f \in F \\ & \displaystyle \sum_{h \in H_f} \sum_{g \in G} (x_{hglij}^r + x_{hglijs}^r) KG_h \leq p_{lijf}^r & \forall \ (l,i,j) \in A^2, \ con \ i \in \overline{I}, \ f \in F \\ & \displaystyle \sum_{h \in H_f} \sum_{g \in G} \sum_{g \in G} (x_{hgijl}^s + x_{hglijs}^s) KG_h \leq p_{lijf}^s & \forall \ (l,i,j) \in A^3, \ f \in F \end{array}$$

Arc capacity by weight

$$\begin{split} \sum_{f \in F} \left(p_{ijf} + \sum_{(i,j) \in (l,h,e)} p_{lhef}^{2} + \sum_{(i,j) \in (l,h,e)} p_{lhef}^{r} \right) \leq \\ \leq \sum_{k \in K} \overline{KG}_{k} \left(y_{ijk} + \sum_{(i,j) \in (l,h,e)} y_{lhek}^{2} \right) \qquad \forall \ (i,j) \in (I' \times J) \cap A \\ \sum_{f \in F} p_{lijf}^{2} \leq \sum_{k \in K} \overline{KG}_{k} y_{lijk}^{2} \qquad \forall \ l \in I', \ i \in I'', \ j \in J \\ \sum_{j \in J} \sum_{f \in F} p_{lijf}^{r} \leq \sum_{k \in K} \overline{KG}_{k} y_{lik}^{s} \qquad \forall \ l \in I, \ i \in \overline{I} \\ \sum_{f \in F} p_{ijlf}^{s} \leq \sum_{k \in K} \overline{KG}_{k} y_{ijlk}^{s} \qquad \forall \ (i,j,l) \in A^{3} \end{split}$$

Total pallet per arc and family $\sum \sum (x_{hgij} + x_{hgij_S})/PL_h \le z_{ijf}$ $h \in H_f g \in G$ $\sum \sum (x_{hqlij}^2 + x_{hqlijs}^2)/PL_h \le z_{lijf}^2$ $h \in H_f g \in G$ $\sum \sum (x_{hglij}^r + x_{hglijs}^r)/PL_h \le z_{lijf}^r$ $h \in H_f g \in G$ $\sum \sum (x_{hg\hat{j}ijl}^s + x_{hg\hat{j}_sijl}^s)/PL_h \le z_{\hat{j}ijlf}^s$ $h \in H_f g \in G$ $\sum z_{ijf} \le 2zc_{ij}$ $f \in F_c$ $\sum z_{lijf}^2 \le 2zc_{lij}^2$ $f \in F_c$ $\sum z_{lijf}^r \le 2zc_{lij}^r$ $f \in F_c$ $\sum \sum z_{\hat{i}ijlf}^s \leq 2zc_{ijl}^s$ $f \in F_c$ $\hat{i} \in \{j, l\}$

 $\forall (i, j) \in A, f \in F$ $\forall (l, i, j) \in A^2, f \in F$ $\forall (l, i, j) \in A^2, \text{ con } i \in \overline{I}, f \in F$ $\forall (i, j, l) \in A^3, \hat{j} \in \{j, l\}, f \in F$ $\forall (i, j) \in A$ $\forall \ (l,i,j) \in A^2$ $\forall (l, i, j) \in A^2, \text{ con } i \in \overline{I}$ $\forall (i, j, l) \in A^3$

Arc capacity by pallet

$$\begin{split} \sum_{f \in F_f} z_{ijf} + 2zc_{ij} + \sum_{(i,j) \in (l,h,e)} \left(\sum_{f \in F_f} z_{lhef}^2 + 2zc_{lhe}^2 \right) + \\ &+ \sum_{(i,j) \in (l,h,e)} \left(\sum_{f \in F_f} z_{lhef}^r + 2zc_{lhe}^r \right) \leq \sum_{k \in K} \overline{CP}_k \left(y_{ijk} + \sum_{(i,j) \in (l,h,e)} y_{lhek}^2 \right) \qquad \forall \ (i,j) \in (I' \times J) \cap A \\ &\sum_{f \in F_f} z_{lijf}^2 + 2zc_{lij}^2 \leq \sum_{k \in K} \overline{CP}_k y_{lijk}^2 \qquad \forall \ (l,i,j) \in A^2 \\ &\sum_{j \in J} \sum_{f \in F_f} z_{lijf}^r + 2zc_{lij}^r \leq \sum_{k \in K} \overline{CP}_k y_{lik} \qquad \forall \ l \in I, \ i \in \overline{I} \\ &\sum_{f \in F_f} \sum_{j \in \{j,l\}} z_{jijlf}^s + 2zc_{ijl}^s \leq \sum_{k \in K} \overline{CP}_k y_{ijlk}^s \qquad \forall \ (i,j,l) \in A^3 \\ &2zc_{ij} \leq \sum_{k \in K} \overline{CP}_k y_{ijk} \qquad \forall \ (i,j) \in (I' \times J) \cap A \end{split}$$

Cuts

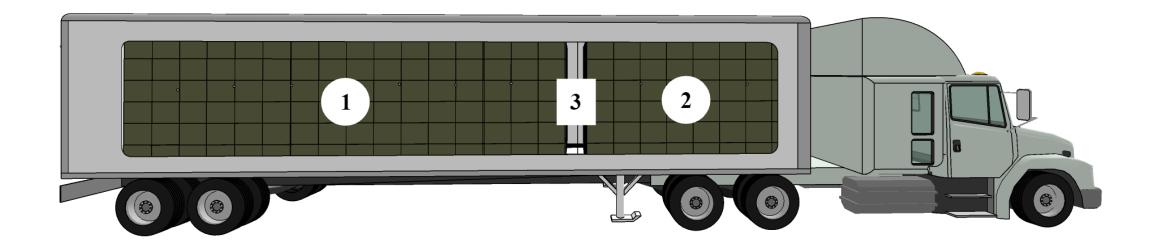
$$\begin{split} \sum_{k \in K} \overline{CP}_k \left(\sum_{i' \in I'} y_{i'jk} + \sum_{(l,h,e) \in A^2 : e=j} y_{lhek}^2 + \sum_{(i,l,e) \in A^3 : j \in \{l,e\}} y_{ilek}^s \right) &\geq \sum_{h \in H} \sum_{g \in G} Da_{hgj} / PL_h \quad \forall \ j \in J \\ \sum_{i \in I'} \sum_{f \in F} z_{ijf} + \sum_{(l,h,e) \in A^2 : e=j} \sum_{f \in F} z_{lhef}^2 + \sum_{(l,h,e) \in A^2 : h \in \overline{I}, e=j} \sum_{f \in F} \sum_{f \in F} z_{lhef}^r + \\ &+ \sum_{(i,e,l) \in A^3 : i \in I, j \in \{e,l\}} \sum_{f \in F} z_{jielf}^s \geq \sum_{h \in H} \sum_{g \in G} Da_{hgj} / PL_h \quad \forall \ j \in J \end{split}$$

Variable domain

$$\begin{aligned} x_{hgij} \ge 0, \ x_{hglij}^2 \ge 0, \ x_{hglij}^r \ge 0 & \forall h \in H, \ (i,j) \in A \\ p_{ijf} \ge 0, \ p_{lijf}^2 \ge 0, \ p_{lijf}^r \ge 0 & \forall (i,j) \in A, \ f \in F \\ z_{ijf}, \ z_{lijf}^2, \ z_{lijf}^r \in \mathbb{Z}_+ & \forall (i,j) \in A, \ f \in F \\ zc_{ij}, \ zc_{lij}^2, \ zc_{lij}^r \in \mathbb{Z}_+ & \forall (i,j) \in A, \ f \in F \\ y_{ijk}, y_{lijk}^2 \in \mathbb{Z}_+ & \forall (i,j) \in A, \ k \in K \end{aligned}$$

Constraints on number of frozen pallets in trucks with mixed cargo

We describe now a specific constraint on the number of frozen pallets that a truck of 26 pallets can carry if it also carries fresh pallets. If a truck of 26 pallets carries a mixed load (frozen and fresh pallets), then the space for frozen pallets must be at least 4 and no more than 18 pallets. This is due to the physics of adding a separator between the frozen and the fresh pallets and the power of the refrigerating unit. Therefore the space for frozen pallets on a truck of size 26 pallets can be 0, 4 through 18, and 26 pallets.



if zc_{ij} represents the number of pairs of frozen pallets that are on the trip between i and j, we separate this quantity into

- zMc_{ij} : pairs of frozen pallets on trucks of size 26 pallets
- zNc_{ij} : pairs of frozen pallets on trucks different than type 26 pallets.

We also need to introduce two binary variables

- zIc_{ij} : binary variable indicating whether there are frozen pallets on a truck of 26 pallets
- zFc_{ij} : binary variable that indicates that the truck of 26 pallets is full of frozen pallets.

With these variables we can write the following constraints

Upper and lower bound constraints for mixed fresh/frozen cargo trucks

$zc_{ij} \leq zMc_{ij} + zNc_{ij}$	$orall (i,j) \in A$
$zMc_{ij} \leq \mathbf{M}zIc_{ij}$	$orall (i,j) \in A$
$2zMc_{ij} \ge 4zIc_{ij}$	$orall (i,j) \in A$
$2zMc_{ij} \ge 26(y_{ijk} - \mathbf{M}(1 - zFc_{ij}))$	$\forall (i,j) \in A, \ k =' 26P'$
$2zMc_{ij} \le 26y_{ijk} - 8(1 - zFc_{ij})$	$orall (i,j)\in A,k='26P'$
$2zNc_{ij}\leq \sum \overline{CP}_ky_{ijk}$	$orall (i,j) \in A$
$k{\in}K$: $k{ eq}'26P'$	

Where **M** is a large enough big-M constant. These constraints are such, that when $zIc_{ij} = 1$ and $zFc_{ij} = 0$ we have

$$4 \le 2zMc_{ij} \le 26y_{ijk} - 8$$
 for $k = 26P'$,

if $zIc_{ij} = 1$ and $zFc_{ij} = 1$ we have that

$$2zMc_{ij} = 26y_{ijk}$$
 for $k = 26P'$,

if $zIc_{ij} = 0$, then $zMc_{ij} = 0$. Here zFc_{ij} can be 0 or 1 depending on whether $y_{ijk} > 0$ or $y_{ijk} = 0$. Note that in this situation, it is possible to have frozen pallets on arc (i, j) since zNc_{ij} could be positive, but these pallets travel on trucks different from 26 pallet trucks.

Similar variable and constraints are introduced to separate the frozen pallets into trucks of 26 pallets and other types of trucks for variables zc_{lhe}^2 , zc_{lij}^r , and zc_{ijl}^s . Finally we point out that we need to modify the constraints "Arc capacity by pallet" changing zc_{ij} by $zMc_{ij} + zNc_{ij}$, leaving:

Arc capacity by pallet

$$\begin{split} \sum_{f \in F_f} z_{ijf} + 2(zMc_{ij} + zNc_{ij}) + \sum_{(i,j) \in (l,h,e)} \left(\sum_{f \in F_f} z_{lhef}^2 + 2(zMc_{lhe}^2 + zNc_{lhe}^2) \right) + \\ + \sum_{(i,j) \in (l,h,e)} \left(\sum_{f \in F_f} z_{lhef}^r + 2(zMc_{lhe}^r + zNc_{lhe}^r) \right) &\leq \sum_{k \in K} \overline{CP}_k \left(y_{ijk} + \sum_{(i,j) \in (l,h,e)} y_{lhek}^2 \right) \qquad \forall \ (i,j) \in (I' \times J) \cap A \\ \sum_{f \in F_f} z_{lijf}^2 + 2(zMc_{lij}^2 + zNc_{lij}^2) &\leq \sum_{k \in K} \overline{CP}_k y_{lijk}^2 \qquad \forall \ (l,i,j) \in A^2 \\ \sum_{j \in J} \sum_{f \in F_f} z_{lijf}^r + 2(zMc_{lij}^r + zNc_{lij}^r) &\leq \sum_{k \in K} \overline{CP}_k y_{lik} \qquad \forall \ l \in I, \ i \in \overline{I} \\ \sum_{f \in F_f} \sum_{j \in \{j,l\}} z_{jijlf}^s + 2(zMc_{ijl}^s + zNc_{ijl}^s) &\leq \sum_{k \in K} \overline{CP}_k y_{ijlk} \qquad \forall \ (i,j) \in A^3 \\ 2(zMc_{ij} + zNc_{ij}) &\leq \sum_{k \in K} \overline{CP}_k y_{ijk} \qquad \forall \ (i,j) \in (I' \times J) \cap A \end{split}$$

Truck filling problem

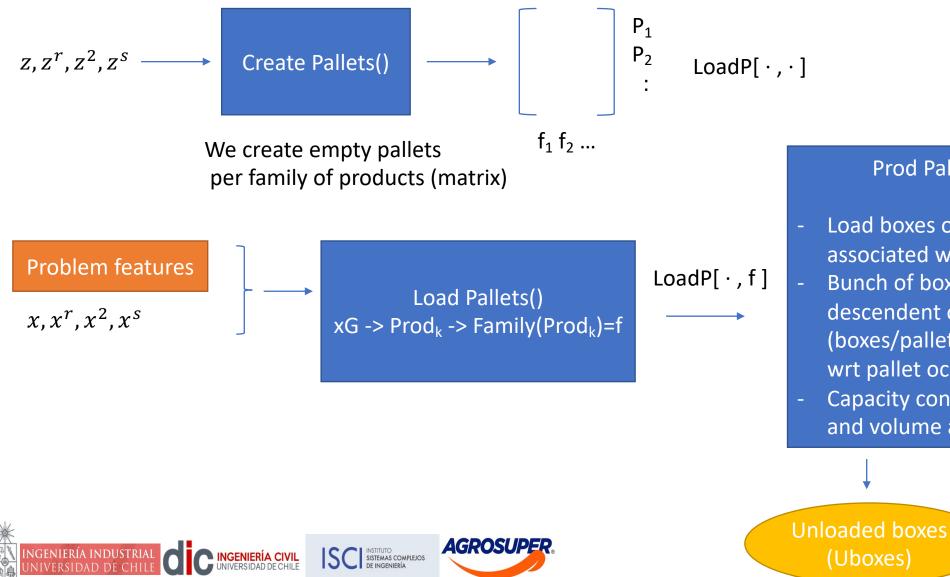
- Given the trips associated with the fleet decided in the previous problem to satisfy the demand, the secondary objective is how to use the available space to maximize the profit.
- The decision is what products to carry on the available space of trucks with the objective of maximizing profit.
- We can fill up pallets with products and volumes identified by the distribution centers as potential products for filling trucks.

Example: total pallets per arc and family

$$\begin{split} & Xz_{ijf} + \sum_{h \in H_f} \sum_{g \in G} (x_{hgij} + x_{hgijs}) / PL_h \leq z_{ijf} \\ & Xz_{lijf}^2 + \sum_{h \in H_f} \sum_{g \in G} (x_{hglij}^2 + x_{hglijs}^2) / PL_h \leq z_{lijf}^2 \\ & Xz_{lijf}^r + \sum_{h \in H_f} \sum_{g \in G} (x_{hglij}^r + x_{hglijs}^r) / PL_h \leq z_{lijf}^r \\ & \sum_{f \in F_c} z_{ijf} \leq 2zc_{ij} \\ & \sum_{f \in F_c} z_{lijf}^2 \leq 2zc_{lij}^2 \\ & \sum_{f \in F_c} z_{lijf}^r \leq 2zc_{lij}^r \\ & \sum_{f \in F_c} z_{lijf}^r \leq 2zc_{lij}^r \end{split}$$

- Inputs
 - Tarifs.xls
 - Boxes-pallets.xls
 - Family of products.xls
 - Production cost.xls
 - Selling price.xls
 - Demand.xls
 - Stock.xls
 - Materials features.xls
 - Nodes.xls
 - Output models (aggregate loads)

- Outputs packing (Excel files)
 - Indicators
 - Truck filling file
 - Routes
 - Details
 - SAP files



Prod Pallets(Bunch(xG),f)

- Load boxes of xG product in pallets associated with family f recursively
- Bunch of boxes are loaded in descendent order wrt capacity (boxes/pallets) & in ascendent order wrt pallet occupation.
- Capacity constraints in both weight and volume are respected.

LoadP[· , f] (filled up)

- Since the boxes are integer values, we sometimes leave boxes unloaded in the previous process, as they cannot fit in the pallets because of volume constraints (in almost all cases).
- To deal with that, we developed a GRASP (Greedy randomized adaptive search procedure) to gain diversity and be able to load most of the boxes to the available pallets obtained from the models (Resende and Ribeiro, 2003).



Algorithm 1 LoadPalletsProds()

- 1: CreatePallets()
- 2: xP.SortCuad()
- 3: for i = 0; i < xP.size(); i++ do
- 4: LoadPallets(xP[i], UBoxesAux)

5: end for

- 6: if (UBoxesAux) == $0 \forall xP.size() < PGRASP$ then
- 7: $LoadP \leftarrow LoadAux; UBoxes \leftarrow UBoxesAux$

8: **else**

- 9: $LoadPBEST \leftarrow LoadPAux; UBoxesBEST \leftarrow UBoxesAux$
- 10: for g = 0; g < IterGRASP; g++ do
- 11: CreatePallets(LoadPAux)
- 12: $bool \text{ NotAssigned} \leftarrow \mathsf{TRUE}$
- 13: set < int > counter
- 14: while NotAssigned do
- 15: *vector*<*int*> GRASP*candidates*
- 16: for i = 0; i < xP.size(); i++ do
- $\label{eq:GRASP} 17: \qquad \mathsf{GRASP} candidates.pushBack(i)$
- 18: **if** GRASP candidates.size() == PGRASP **then**
- 19: Break
- 20: end if
- 21: end for
- 22: **if** GRASP candidates.size() == 0 then
 - $\mathsf{NotAssigned} \gets \mathsf{FALSE}$
- 24: **else**

23:

25:

- $int \ \mathsf{RNumber} \leftarrow rand() \ \% \ \mathsf{GRASP} candidates.size()$
- 26: LoadPallets(xP[GRASPcandidates[RNumber]], LoadPAux)
- 27: counter.insert(GRASPcandidates[RNumber])
- 28: end if

29: end while

- 30: if UBoxesAux < UBoxesBEST then
- 31: $UBoxesBEST \leftarrow UBoxesAux; LoadPBEST \leftarrow LoadPAux$
- 32: end if
- 33: UBoxesAux.clear(); LoadPAux.clear()
- 34: end for
- 35: $UBoxes \leftarrow UBoxesBEST; LoadP \leftarrow LoadPBEST$

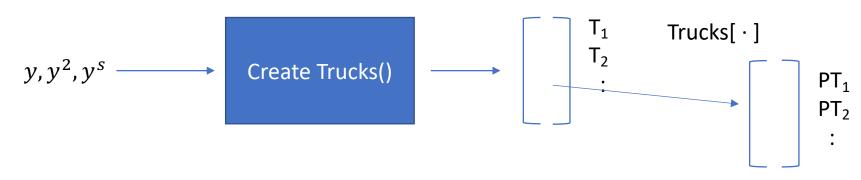
36: end if

37: UpdateIndicators()

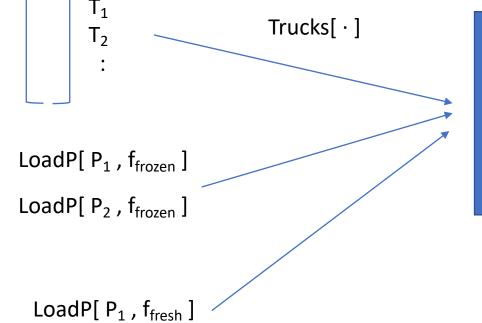
Comparison of GRASP vs GREEDY in a real instance of a total of more than 82,827 boxes on a specific day

GRAS	GRASP (PGRASP = 3, ITER_GRASP = 1000)			GREEDY					
Туре	code	Nboxes	Weight	Boxes per	Туре	code	Nboxes	Weight	Boxes per
Var.				Pallet	Var.				Pallet
qx	1010220	1	21	50	qx	1010077	2	11.5	64
qx	1010267	1	22	50	qx	1010105	1	22	50
q×	1010390	2	21.651	50	×	1010110	4	9.168	80
qx	1020001	1	17.37	40	qx	1010220	1	21	50
qx	1020085	1	18.9	40	qx	1010267	7	22	50
qx	1020417	2	22	40	qx	1010306	1	21.749	50
q×r	1030010	1	14.4	60	qx	1010335	3	22	50
×	1100419	1	3.08	224	qx2	1010390	1	21.651	50
×	1100449	1	5.6	104	qx	1010390	4	21.651	50
×	1100640	1	4	182	qx	1010503	1	22	50
qx	1110003	1	10	60	qx	1010733	1	22	50
					qx	1011142	1	16	50
					qx	1011146	1	18	50
					qx	1011678	1	18	50
					:	:	÷	÷	÷
					qx	1110003	1	10	60
					qxr	1120234	2	3.5	90
7	Total		Total	Total	7	Fotal	Total	Total	Total
Varia	Variab-prod.		Weight	Pallets	Variab-prod.		Boxes	Weight	Pallets
	11		204	0.23		48	81	1211	1.39





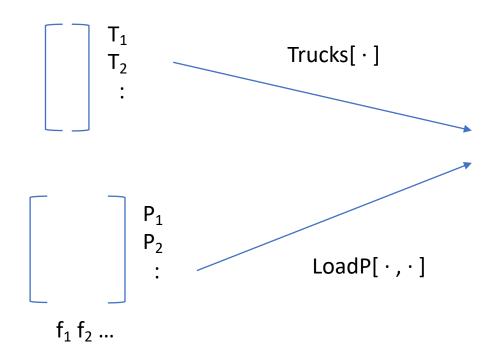
Empty vector of pallets on each truck after executing this function



Load Trucks()

Recursive function that load pallets in pairs (frozen products) or individually (for fresh products, respecting trucks' capacity constraints (in weight and volume)



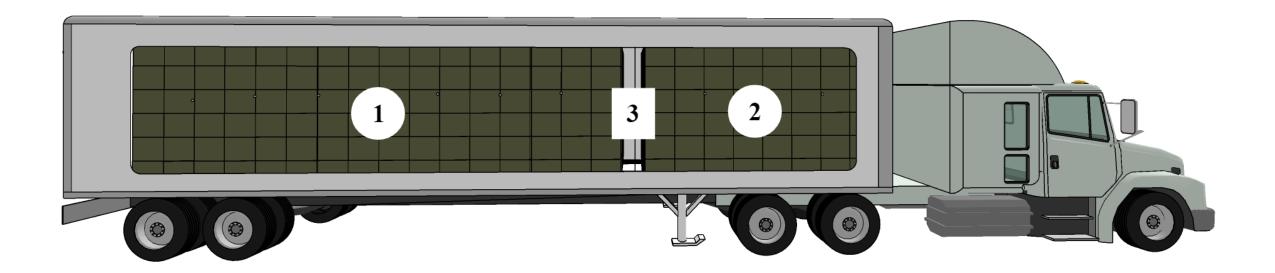


Load Trucks Edge()

- First, frozen pallets are loaded; next, fresh pallets are loaded using the available capacity on trucks left by frozen load process.
- In case of frozen products, we have to respect the frozen pallets constraints (minimum and maximum number of pallets frozen if the truck is shared and need separator). This constraint is active at this stage, even tough later on we could have some trucks with no separator.
- Then, we load the fresh products once frozen products are all on the trucks. For fresh products, trucks are sorted based on two criteria. We start with trucks with largest capacity. If two trucks are the same capacity, we sorted them in ascendent order wrt occupancy in weight.
- Trucks are filling up one at a time using Load Trucks() recursively.

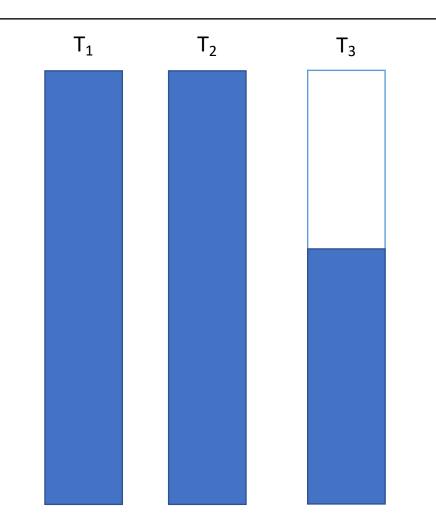


• In case of frozen products, the separator forces us to load the pallets respecting a minimum and maximum threshold

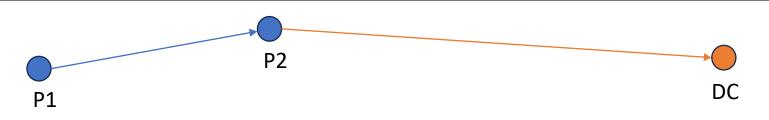




- The loading procedure for frozen products uses recursive function Load Trucks () filling trucks once at the time.
- The trucks are filled at top (when capacity in volume is reached respecting constraints on maximum truck weight).
- If the last truck does not fulfill min and max threshold conditions, the load is adjusted to finally fulfill such conditions properly

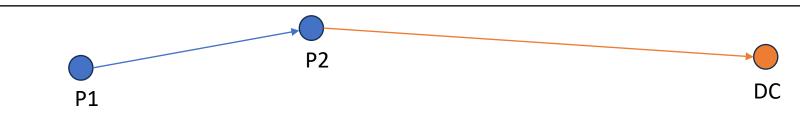






- In the case of routes containing more than one arc (P1-P2-DC), we need to be consistent with the pallets loaded in the second arc (P2-DC) wrt the first one (P1-P2).
- Moreover, this implies that the procedure must be able of refill trucks with pallets added in the intermediate plant.
- The former argument implies that first we load the arcs of type *P1-P2*, filling the pallets on such arcs, and then, loading the trucks, for both trip: between plants (consolidations) and for two-stage *P1-P2-DC* trips.





• Then, we load the P2-DC arcs, filling up the corresponding pallets, and then, they are assigned to direct trucks (primary trips) or on trucks coming from a previous plant (primary two-stage trips) with some remaining space in both volume and weight.



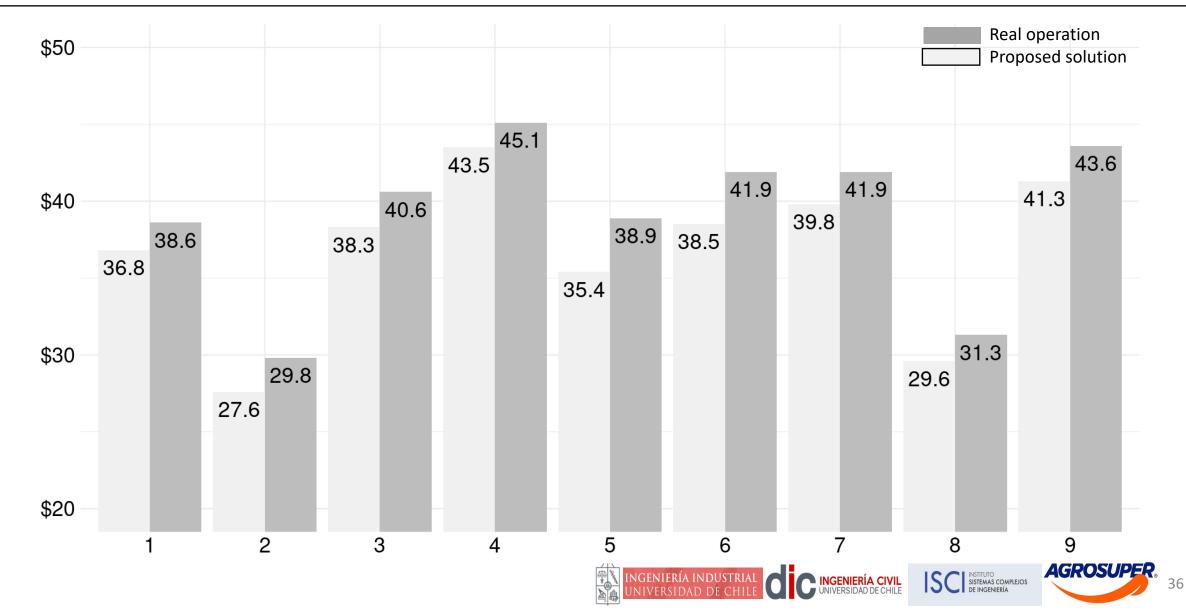
- Trips of type *P-DC1-DC2* are treated separately, using the same described procedure.
- The procedure always respects capacity constraints in both dimensions (volume and weight).



Instance	Plants	Distribution Centers	Large Customer	Total Demand (ton)	MTT GAP (%)	MPP GAP ($\%$
1	7	27	17	1869	1.31%	0.00%
2	7	24	19	1866	5.26%	0.00%
3	7	28	18	2006	1.06%	0.00%
4	7	27	18	1805	2.85%	0.00%
5	7	26	20	1888	3.53%	0.00%
6	7	25	17	1953	1.46%	0.00%
7	7	24	7	1706	4.78%	0.00%
8	7	27	17	1307	3.40%	0.00%
9	7	27	18	1880	2.89%	0.00%



Some results: transport costs to DC (\$MM CLP)

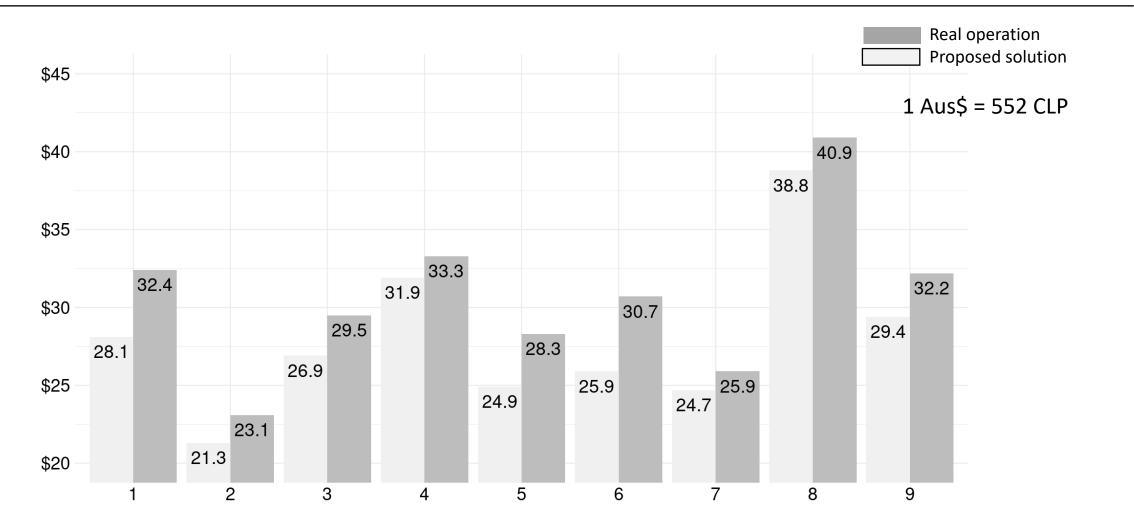


Instance	Optimized	Real	MMCh\$	MAus\$
1	36.8	38.6	1.8	3261
2	27.6	29.8	2.2	3985
3	38.3	40.6	2.3	4166
4	43.5	45.1	1.6	2898
5	35.4	38.9	3.5	6340
6	38.5	41.9	3.4	6159
7	39.8	41.9	2.1	3804
8	29.6	31.3	1.7	3079
9	41.3	43.6	2.3	4166



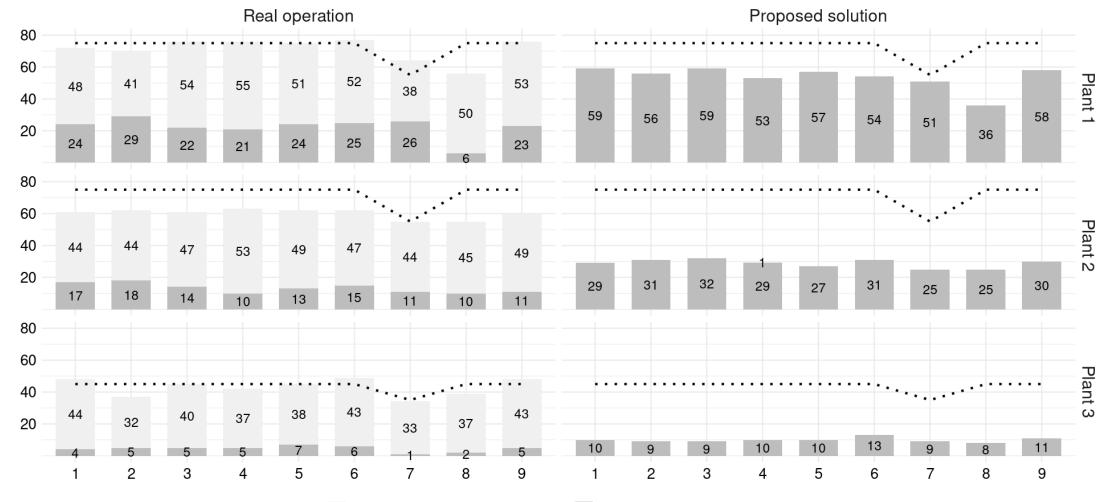


Some results: cost/kg per trip in CLP





Some results: effect on loading dock capacity vs dispatched trucks (3 largest plants)



Multiple Loading Nodes Route Single Loading Node Route

Interface

	✓ C:\Program Files\LOGISTICA-NACIONAL-UCHILE\LOGIS	H	×	- LOGISTICA-NACIONAL	UCHILE
j			^	Inputs	
3				Cajas Pallet:	Transporte/Cajas-pallet.xlsx
				Familia de Productos:	Transporte/Familia de productos.xlsx
¢				Maestro Materiales:	Transporte/Maestro Materiales.xlsx
					Transporte/Nodos.xlsx
					Transporte/Tarifas.xlsx
١				Costo Producción:	
				Demanda:	
				Precio Venta:	
				Stock:	,
			~	Set:	
		/			
				Outputs	
	2			Carpeta de salid	
				Planilla de Cuadratur	
				Planilla de Ruta Planilla de Indicadore	
i				Planilla de Detalle Carg	
					Procesar

Seleccionar

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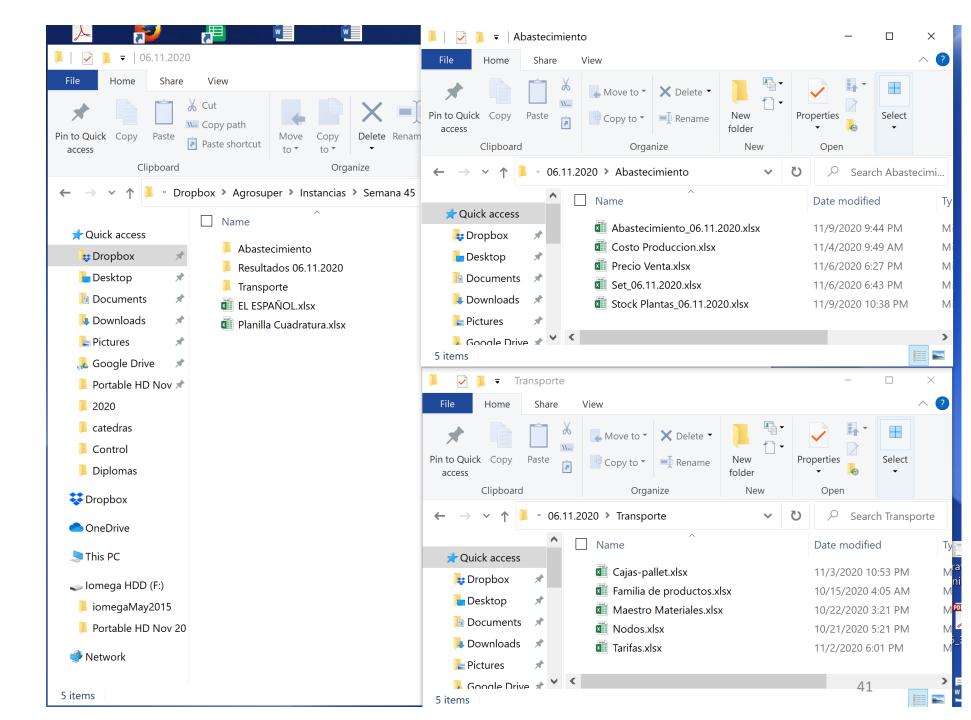
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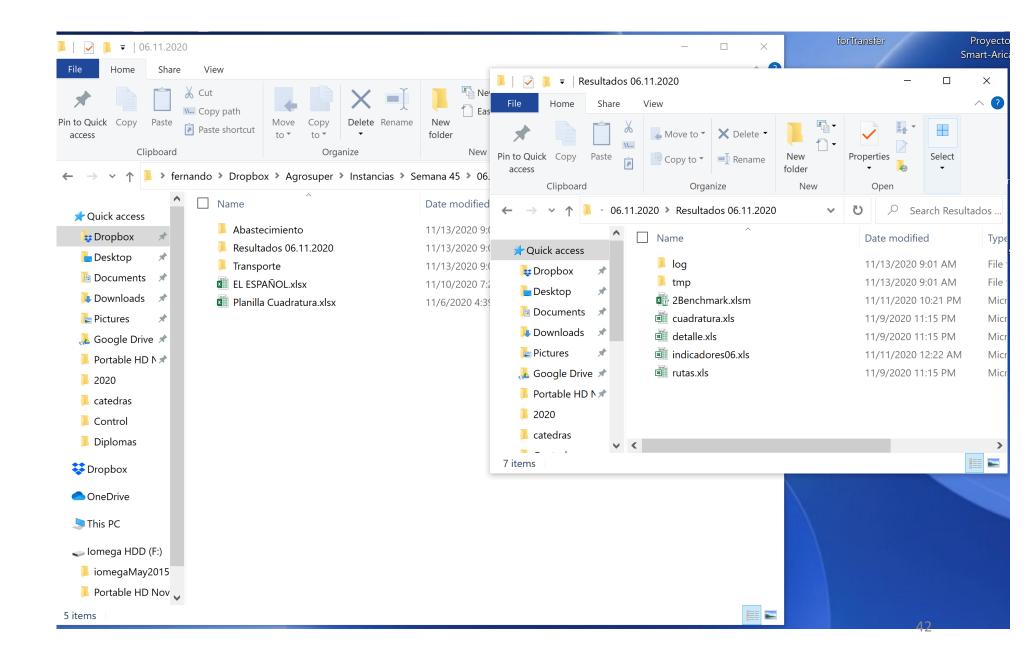
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Input



Output



Summary of indicators of solution

Global indicators			
Total distribution costs	48569631		(CLP)
Distribution costs between plants	1397472		(CLP)
Dsitribution costs (primary)	47172159		(CLP)
Percentage of utilization in kilogrames total	0.718		(%)
Percentage of utilization in kilogrames (plant-plant)	0.689		(%)
Percentage of utilization in kilogrames (primary)	0.722		(%)
Percentage of utilization in pallets total	0.887		(%)
Percentage of utilization in pallets (plant-plant)	0.921		(%)
Percentage of utilization in pallets (primary)	0.883		(%)
Demand fulfillment	1.185		(%)
Ratio cost/kg	21.81		(CLP/kg)
VisitNodesPLant	1		(stops/route)
LoadNodesPLant (OUT-IN)	2226940	242692	(kgs)
TrucksNodesPLant(OUT-IN)	124	15	(trucks)

Final remarks

- A system that incorporates the solution approach (in two stages) is being implemented and tested in the field by the company.
- A truck scheduling model (heuristic + MIP) is also being coded as a complement to the two-stage procedure presented.
- This model was presented in Odysseus 2021 (held in 2022), and now a scientific dissemination paper is under preparation.
- Considerable savings are found in transport cost due to a better use and organization of resources (through consolidation) for the nationwide movement of products of the company.







Large scale supply chain operations in the food industry

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^(a)Universidad de Chile

^(b)Agrosuper

^(c)Instituto Sistemas Complejos de Ingeniería



September 1st, 2023

Example detail

Fecha	Nro. Camión	Tipo Viaje	Id Pallet	Sector	Estado	Material	Descripción	Nodo Origen	Nombre Orig	Nodo Destino	Nombre Dest	Cajas
19/03/2020	41	primario	1001	Pollo	Congelado	1011330	PO File IQF@ Bo Cj SP	P001	Planta Lo Mir	T049	Castro	10
19/03/2020	41	primario	1001	Pollo	Congelado	1011331	PO PchDeh Lam IQF@ Bo Cj SP	P001	Planta Lo Mir	T049	Castro	15
19/03/2020	41	primario	1001	Cerdo	Congelado	1021477	GO Chu Vet Porc IQF@ Cj 7.5k SC	P001	Planta Lo Mir	T049	Castro	50
19/03/2020	41	primario	1001	Pollo	Congelado	1012347	PO Bistec Pech 150g@ Cj 3kg SP	P001	Planta Lo Mir	T049	Castro	10
19/03/2020	41	primario	27	Elaborado	Congelado	1100007	Nugg Pollo@ Bo 0.4k x12 Cj SP	P001	Planta Lo Mir	T049	Castro	21
19/03/2020	41	primario		Elaborado	Congelado	1100039	Nugg Pollo@ Zip 1k x5 Cj SP	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario		Elaborado	Congelado	1100267	Hamb Mastod 185g@ Fp x40 Cj LC	P001	Planta Lo Mir	T049	Castro	6
19/03/2020	41	primario		Elaborado	Congelado	1100372	Hamb Vacuno 185g@ Fp x40 Cj KI	P001	Planta Lo Mir		Castro	5
19/03/2020	41	primario		Elaborado	Congelado	1100520	Nugg Prm Pollo@ FS Bo 2.5k x2 Cj KI	P001	Planta Lo Mir	T049	Castro	4
19/03/2020	41	primario	27	Elaborado	Congelado	1100339	Croc Pollo 100g@ Fp x60 Cj SP	P001	Planta Lo Mir	T049	Castro	6
19/03/2020	41	primario	27	Elaborado	Congelado	1100440	Hamb Pavo 100g@ Fp x56 Cj LC	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario	27	Elaborado	Congelado	1100444	Hamb Pollo 100g@ Fp x56 Cj LC	P001	Planta Lo Mir		Castro	6
19/03/2020	41	primario	27	Elaborado	Congelado	1100449	Hamb Prm100g@ Fp x56 Cj LC	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario		Elaborado	Congelado	1100193	Croc Pollo 100g@ Fp x30 Cj SP	P001	Planta Lo Mir	T049	Castro	34
19/03/2020	41	primario	27	Elaborado	Congelado	1100332	Hamb Pollo 55g@ Fp x52 Cj SP		Planta Lo Mir		Castro	16
19/03/2020	41	primario	28	Elaborado	Congelado	1100332	Hamb Pollo 55g@ Fp x52 Cj SP	P001	Planta Lo Mir	T049	Castro	4
19/03/2020	41	primario	28	Elaborado	Congelado	1100343	Hamb Pollo 50g@ Fp x56 Cj KI	P001	Planta Lo Mir	T049	Castro	24
19/03/2020	41	primario	28	Elaborado	Congelado	1100365	Cne Mol 250g@ Tripa Cj Kl	P001	Planta Lo Mir	T049	Castro	6
19/03/2020	41	primario	28	Elaborado	Congelado	1100539	Churr Vacuno 90g@ Fp x 39 Cj Kl	P001	Planta Lo Mir	T049	Castro	9
19/03/2020	41	primario	28	Elaborado	Congelado	1100545	Lomito Fiesta@ Fp x39 Cj SC	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario	28	Elaborado	Congelado	1100586	Hamb vac 120g@ Fp x 24 Cj LC	P001	Planta Lo Mir	T049	Castro	2
19/03/2020	41	primario	28	Elaborado	Congelado	1100350	Hamb Tradicional 50g@ Fp x56 Cj KI	P001	Planta Lo Mir	T049	Castro	120
19/03/2020	41	primario	28	Elaborado	Congelado	1100332	Hamb Pollo 55g@ Fp x52 Cj SP	P001	Planta Lo Mir	T049	Castro	2
19/03/2020	41	primario	28	Elaborado	Congelado	1100545	Lomito Fiesta@ Fp x39 Cj SC	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario	1000	Cerdo	Congelado	1021620	GO BB Ribs estuche 1kg@ Cj 10kg SC	P001	Planta Lo Mir	T049	Castro	10
19/03/2020	41	primario	1000	Pollo	Congelado	1011627	PO Tru Cort Selec pf@ Bo 16x800g Cj SP	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario	1000	Pollo	Congelado	1011632	PO Tru Selec pf@ Bo 6x2k Cj SP	P001	Planta Lo Mir	T049	Castro	2
19/03/2020	41	primario	1000	Cerdo	Congelado	1022746	GO Chu Ctro Porc IQF 180-200@Cj 7.2 SC	P001	Planta Lo Mir	T049	Castro	35
19/03/2020	41	primario	1000	Pollo	Congelado	1011330	PO File IQF@ Bo Cj SP	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario	1000	Cerdo	Congelado	1021477	GO Chu Vet Porc IQF@ Cj 7.5k SC	P001	Planta Lo Mir	T049	Castro	1
19/03/2020	41	primario	1002	Pollo	Congelado	1011627	PO Tru Cort Selec pf@ Bo 16x800g Cj SP	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario	1002	Pollo	Congelado	1011632	PO Tru Selec pf@ Bo 6x2k Cj SP	P001	Planta Lo Mir	T049	Castro	5
19/03/2020	41	primario	1002	Pollo	Congelado	1011330	PO File IQF@ Bo Cj SP	P001	Planta Lo Mir	T049	Castro	1
19/03/2020	41	primario	1002	Cerdo	Congelado	1021477	GO Chu Vet Porc IQF@ Cj 7.5k SC	P001	Planta Lo Mir	T049	Castro	49
19/03/2020	41	primario	993	Pollo	Refrigerado	1010048	PO Pch Selec# Cj 14 SP	P001	Planta Lo Mir	T049	Castro	50
19/03/2020	41	primario	994	Pollo	Refrigerado	1010048	PO Pch Selec# Cj 14 SP	P001	Planta Lo Mir	T049	Castro	36
19/03/2020	41	primario		Pollo	Refrigerado	1010124	PO Caz# Mall Cj 14 SP	P001	Planta Lo Mir		Castro	8

routes.xls

														Planta Lo										Planta Sop		Elaborado	
		-				_								361.716		90.961		46.557	-	-				124.387			
Número	Nombre	Rut			or Salida Pro			Códigos			Tipo	4			PLM			PLM	PLM	PLM	PLM	PLM					PR
Camión	Cliente	Transp.	Citación F	Citación P	PÚltima Pla				Ruta									Pav F	Pav C	Sal C	Cec F	Hor C	Ela C	Pav F	Pav C	Cec F	Cer F
1						interplanta		P001-P00			26 P	si	25.98	2	18	5.98	5							15 100	E 447		
4						interplanta					26 P	si	20.9											15.483	5.417		
2						interplanta					26 P	si	20.855											15.467	5.388		
3 5						interplanta					26 P	SI	22.1											15.607	6.493		
)						interplanta					26 P	SI	24.958											15.137	9.821		
6						primario				Sor Sucursal		si	2.789											2.503	0.286		
3						primario				Sor Venta Dire			20											20			
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l.						interplanta		P60472-P			26 P		25.995													25.995	
1						interplanta		P005-P00			26 P		25.856														2
0						interplanta		P005-P00			26 P		25.73														
3						interplanta		P005-P00			26 P		25.807														2
2						interplanta		P005-P00			26 P		25.931														2
4						interplanta		0002-P00			26 P		17.214														
5						interplanta		P002-P00			26 P	si	25.929														
7						primario				Lo Sucursal		si	25.986		1.914	4.077											
6						primario				Lo Sucursal		si	24.995	1	2	2	. 15.555										
8						primario	218218	P001-T00	Planta	Lo Sucursal	26 P	si	25	1		4	20										
3						primario	218218	P001-T02	Planta	Lo Sucursal	26 P	si	25.993	3.375	2.984	1.009	17.625	1									
1						primario	218218	P001-T02	Planta	Lo Sucursal	26 P	si	25.981	4.191	3	1	16.8	0.99)								
2						primario	218218	P001-T02	Planta	Lo Sucursal	26 P	si	25.992	4.098	2.014	1.98	16.9	1									
)						primario	218218	P001-T02	Planta	Lo Sucursal	26 P	si	24.994	3.925	1.09	0.909	19.07										
9						, primario	218218	P001-T02	Planta	Lo Sucursal	26 P	si	25.938	4.992	0.223	1.773	18	0.95	5								
ļ						primario	218218	P002-T00	Planta	Sar Sucursal	26 P		25.982														
7						, primario	218218	P002-T02	Planta	Sar Sucursal	26 P	si	25.995														
6						primario	218218	P002-T02	Planta	Sar Sucursal	26 P	si	25.982														
5						primario	218218	P002-T02	Planta	Sar Sucursal	26 P	si	25.824														
3						primario	218218	P005-T0C	Planta	Ro: Sucursal	26 P	si	16.402														1
Э						primario				Sor Sucursal		si	25.035											7.04	17.995		
0						primario				Lo Sucursal		si	25.441	4.436		2.99	15.545	1.47	·		1						
1						primario				Lo Sucursal		si	24.806	3.506				1.983		3							
2						primario				Lo Sucursal		si	25.983	8.974				1	0.993								
4						primario				Lo Sucursal		si	25.272	6.329		1	12.66	2.283		3							
3						primario				Lo Sucursal		si	25.979	10.292		1.523		2.200		>							
37						primario				Lo Sucursal		si	24.997	2.011	2		16.986	1	2								
36						primario				Lo Sucursal		si	25 487	3 324				0.05	0 548	2							
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4	Total	PI	184.578	76 6962	25.98	3.605 1.6	66667	15 141.615	43.9	12.74	12	5.625	12.25	8.945	5.5		39.85	167	130.225	2.8	143.399	102 198	10
5	Total Fresco Camión	PI	138.102		2	3.605	0	15 101.033	43.9	0		5.625	12.25	8.945	5.5		39.85	167			110.774		
6 Cuadra	atul Total Congelado Camión	PI		9.82143	23.98	0 1.6		0 40.5827	0	12.74		0	0	0	0		0	0	0			14.8207	
7	Total Pollo	PI	13.9641	0	0	0	0	0 61.2678	0	0	0	0	11	0	0	17	0	120	65	0	81.9719	50.006	47
8 0	Total Cerdo	PI	51.586	51.7381	2	3.605	0	15 29.4281	43.9	0	12	5.625	1.25	8.945	5.5	18.875	39.85	7	58.225	2.8	21.7618	33.9178	2
9 Š	Total Pavo	PI		15.1367	0	0	0	0 10.3367	0	0	0	0	0	0	0	3	0	40	7	0	7.04	3.45333	3.2
9 ë 10 L	Total Cecina	PI	25.9952	0	0	0	0	0 0	0	0		0	0	0	0	0	0	0	0	0	0	0	
11	Total Fresco por Cliente	PI	138.102		2	3.605	0	15 101.033	43.9	0		5.625	12.25	8.945	5.5	38.875	39.85		130.225		110.774		
12	Total Pollo	PI	10.9448	0	5.98	0	1	0 25.9	0	12.74		0	0	0	0	0	0	0	0	0			
<u>13</u> 8	Total Cerdo	PI	0.025	0	18	0	0	0 2.50658	0	0	•	0	0	0	0	34.125	0	0	0	0		0.5558	
14 B	Total Pavo	PI	17.2976		0		66667	0 1.95429	0	0	•	0	0	0	0	0	0	0		0	17.9952		
13 14 15 16 17	Total Elaborado	PI PI	0.99471	0	0	0	0	0 9.2218	0	0	-	0	0	0	0	0	0	0	0	0	0	6	11
16 5	Total Hortalizas y Frutas Total Salmón	PI PI	0	0	0	0	0	0 1	0	0	•	0	0	0	0	0	0	0	0	0	0	1	
18	Total Congelado por Cliente	PI PI	46.4764	•	23.98	0 1.6	-	0 40.5827	0	12.74	-	0	0	0	0	34.125	0	0	0		32.6258	1/ 8207	25
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20	Pollo																						
	76 PO Tru Ent# 4D Cj SP	E	5																			4	
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24 10100	95 PO Tru Larg# 2D Cj 10k SP	E	16					119														8	
	96 PO Tru Larg# 2D Cj SP	E	1																			3	
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