

**Raw material pricing-factors affecting price:
a paper submitted to the MMC by PDM**

Factor	No	Comment
<p>QUALITY</p> <p>Assessment</p> <p>(How do we assess quality)</p>	<ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 	<p>Prices are fixed/agreed for a period in advance; (ie prior to receipt of material) based on the combination of factors already detailed, and knowledge of Raw Material Manager of the particular site/materials collected.</p> <p>The PDM driver will alert the supplier's staff and/or our own Raw Material manager of any noticeable problems, as material is being collected.</p> <p>Similarly, on his visit to site PDM's Raw Material Manager will often inspect the waste as it is being discharged into our containers, and take up any issue with site management</p> <p>On receipt at plant the material is often already mixed with that from other sites, making identification impossible</p> <p>However it can be seen that unlike any other industry, supplies of animal waste cannot be rejected and returned to the supplier, but must be dealt with.</p> <p>Notwithstanding this, if any particular supply source of waste gives cause for serious concern and the problems have not been resolved as in (2) or (3) above, or through direct discussions between supplier and PDM management, it is possible to carry out yield or quality tests on PDM/s pilot plant test rig.</p> <p>It is obvious therefore that any detailed Quality Assessment can only be carried out retrospectively.</p> <p>The pursuit of adequate quality control of raw materials for rendering is a continual battle, with attention to this aspect of their operations usually being low on a supplier's list of priorities.</p> <p>This is in some ways understandable, since to a supplier this material is his waste product, and the renderer's container is his 'dustbin'. Often following complaints from the renderer, quality control will improve for a short time but then deteriorate.</p> <p>It must also be remembered that at the abattoir, the handling of waste is the most menial and dirty task and often the area of highest labour turnover, being the most unattractive of jobs.</p>

Factor	No	Comment
QUANTITY	<ol style="list-style-type: none"> <li data-bbox="512 577 544 607">1. <li data-bbox="512 674 544 703">2. <li data-bbox="512 770 544 799">3. <li data-bbox="512 831 544 860">4. <li data-bbox="512 927 544 956">5. <li data-bbox="512 1084 544 1113">6. <li data-bbox="512 1180 544 1209">7. 	<p data-bbox="596 577 1316 640">Is the supplier (site) part of a regional or national group with central price negotiation?</p> <p data-bbox="596 674 1316 736">Destination of material to be processed (does it have to be double or (in the case of SBO) triple handled?)</p> <p data-bbox="596 770 1267 799">Special equipment (eg fork lift truck, hoppers etc) at supply site</p> <p data-bbox="596 831 1316 893">Type (standard) of containers (eg stainless steel) at EC approved sites</p> <p data-bbox="596 927 1316 1050">Collection service and method most appropriate for supply source; (eg is it part of a `milk-round' type service? Are there facility, hygiene, or storage constraints at the supply site affecting collection service required?)</p> <p data-bbox="596 1084 1316 1146">Is there sufficient material within a category to allow for separate handling and subsequent processing?</p> <p data-bbox="596 1180 1316 1243">Do we collect a range (`basket') of materials from the site, affecting collection system?</p>

Factor	No	Comment
DISTANCE	<ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 7. 	<p>Quantity being collected</p> <p>Type of collection vehicle (eg part of a `milk round')</p> <p>Quality grade of rendering destination</p> <p>Double handled? Supply point may be 30 miles from collection factory, but 150 miles from rendering destination.</p> <p>Distance/time relationship (ie quality of road system). For example, 60 miles from Cornish supplier to Exeter, compared with 60 mile journey on motorway to say Hartshill.</p> <p>Frequency or required time of collection related to distance. (eg Anglo Dutch Charing require clearance of bone before 6.00 am after night shift).</p> <p>Is the collection site part of a national or regional group?</p>

Factor	No	Comment
OTHER	<ol style="list-style-type: none"> <li data-bbox="512 577 544 607">1. <li data-bbox="512 674 544 703">2. <li data-bbox="512 801 544 831">3. <li data-bbox="512 864 544 893">4. <li data-bbox="512 927 544 956">5. <li data-bbox="512 1088 544 1117">6. 	<p data-bbox="596 577 1323 640">Some suppliers prefer to `trade off` payments for some grades against no charge for others.</p> <p data-bbox="596 674 1323 763">Some suppliers prefer to `weight` prices and price adjustments between different types of waste for their own internal costing reasons</p> <p data-bbox="596 801 927 831">`Service v Price` considerations</p> <p data-bbox="596 864 1158 893">Buyer/Seller relationship (strengths & weaknesses)??</p> <p data-bbox="596 927 1323 1055">Competitive influences on individual waste categories within the `basket` supplied; eg where a competitor makes a selective [eg fat; or bone etc] bid which could affect the overall situation from a profitability point of view. (NOT selective predatory pricing)</p> <p data-bbox="596 1088 852 1117">Intensity of competition</p>

Raw material classifications

(Possible Materials included within Generic Classifications)

BEST FAT

Beef	Lamb	Pig
Suet (Kidney & Heart) Caul Fat Other Mesentary (Abdominal) Cod (Groin) Channel Cutting/Boning Slaughter Trimmings	Kidney Fat (Halal) Caul Fat Body Fat 'Mates'	Caul Fat Flare Fat Body Fat

BONE

Beef	Lamb	Pig
Mixed Bone Shank Bone Marrowbone Skulls Skinned Feet Feet	Carcasse Bone Skinned Heads Skinned Feet	Mixed Bone Shank Bone Feet Skulls

OTHER OFFALS

Beef	Lamb	Pig
Cattle Feet Hide Trimmings Condemned (mixed) 3d & 4th Stomachs Stomach & Gut Content Rough Offal Foetus	Unskinned Heads Unskinned Feet Whole (DOA) carcasse Rough Offal Stomach Stomach Content Skin Trimmings (wool)	Black Offal Whole dead Pigs Condemned carcasse Hair Stomach Stomach Content

SBO

Beef	Lamb	Pig
Intestine Intestine with Fat (Middles) Tonsils Brain Thymus Spinal Cord	N/A	N/A