

New green distribution centre in Western Cape

As part of its R2 billion investment into countrywide distribution sites, Pick n Pay opened its second state-of-the-art distribution centre in Philippi, Cape Town on 2 May 2012. The group plans to have four such centres.

Pick n Pay Deputy CEO Richard van Rensburg said, "The FMCG section of the centre will be fully operational by October, by which time we will be distributing 400 000 cases a week. Currently, Longmeadow Groceries moves one million cases a week out to our stores."

The new distribution centre has 342 staff and an area of 36 133m² with a total area of 50 445m² allowing for expansion for slow moving lines. The Philippi distribution centre will be the most advanced grocery distribution centre in the region.

"It will allow us to operate more cost effectively and improve our ability to serve our customers at the same time. Benefits from centralised distribution include better on-shelf availability, while at the same time holding lower overall inventory levels in stores. This means less congestion at our stores' receiving centres and importantly lower transport costs in our supply chain," said Cobus Barnard, divisional director: supply chain.

Critical to the supply chain vision and strategy is its environmental sensitivity. The group is committed to minimising its environmental impact by decreasing carbon emissions, improving energy and water efficiency and lessening its impact on the environment. "Through distribution centres we are able to reduce our carbon footprint because our supply chain will use fewer trucks to get products to our stores," said Barnard.

Green initiatives

Twelve major green initiatives have been implemented within the grocery division, focusing on energy management, water management, refrigeration and the physical materials used for the building of the distribution centres.

"Examples of green initiatives that have proved successful at Longmeadow (the first centre, built in 2010) will be implemented at Philippi, include daylight harvesting. The groceries warehouse and roof lights and south lights provide natural lighting, reducing the required daytime electrical lighting by 50% and internal lights all have motion sensors with dimming and energy-saving lamps.

"Photo-voltaic roof-mounted cells are used for the grocery battery charging and external lighting and signage - these cells are charged using solar energy, reducing the need to draw electricity from the national grid and providing savings on costs and environmental impact," adds Barnard.

State-of-the-art environmental practices and the latest innovations in the construction of the centres will lighten the weight of

the group's carbon footprint, while efficiencies inherent in distributing to a central point and then out to stores have already led to savings in cost in the supply chain that are being passed on to customers.

Redesign on old facility

"Once the switch-over to the new facility is complete, the leadership team will begin redesigning the existing old Western Cape warehouse to become a state-of-the-art facility for our fresh produce and perishables supply chain," said van Rensburg.

In 2013, the group will further enhance capacity by introducing slow moving lines into the Philippi Distribution Centre. Once this process is complete, the Western Cape will be the region furthest ahead in the company's new distribution strategy.

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