



Delivering Efficiency and Reliability

PECO Pallet's Role in Blanca Potato's Transition to Automated Material Handling



THE PROBLEM

Blanca Potato LLC supports five major potato farms in South Central Colorado's San Luis Valley and is one of North America's largest shippers of raw potatoes, processing about 2.2 million 50-pound bags annually.

In the small farming community of Blanca, general manager Rodney Smith faces challenges in recruiting and retaining workers for the physically demanding packing operation. Potatoes arrive in bulk, and the process of unloading, washing, grading, sorting, and packaging has long been largely manual.

EMBRACING AUTOMATION

Recognizing the need for change, Smith began exploring automated material handling systems to replace manual labor with robotic equipment and conveyors to enhance efficiency and address staffing challenges.

Now, through use of robotics and automated material handling systems, Blanca has robotic arms picking up packages and loading them precisely on pallets. Then they move through a material handling line of roller conveyors to an automated palletizer, which shrink-wraps the pallet. That completed and secured pallet then comes off the line and is moved by forklifts to storage and staging.

OVERCOMING PALLET FAILURES

The rollout was not without a few hiccups, Smith recalled. During start-up, Blanca Potato immediately ran into an issue. "When we were manually processing, we were using a lesser grade of pallet," Smith said. "When we started up the automated system, those pallets (from a previous supplier) were failing at an alarming rate" as they went through the automated material handling line.

"We were seeing failure rates of up to 20 percent, shutting the line down as many as 20 times per day to clear out broken pallets which were obstructing the line and compromising the system," Smith noted.

The manual intervention required to remove the broken pallets and restack the bags of potatoes on replacements not only negated the projected savings from automated systems—it also impacted throughput, delivery commitments, and available inventory.

110 million pounds
of potatoes shipped annually

20% pallet failure rate
with previous pallet supplier

THE SOLUTION

PARTNERING WITH PECO PALLET

Smith realized he needed a pallet that adhered to more stringent specifications for precision construction, quality, durability, and consistent performance. That's when he reached out to PECO Pallet.

During a pilot run, PECO's high-quality wood block pallets ran through Blanca's system without failure and performed flawlessly. Next step was a full rollout, which also was successful.

"PECO provided pallets of the proper grade that can hold up to the rigors of the product and the automated material handling systems," Smith noted. "I think the difference is when these pallets go back to the depot for inspection and refurbishment, PECO does a thorough job of repair and bringing them back up to spec. That ensures we get a quality pallet that meets spec and doesn't fail in our system," he added.

DELIVERING EFFICIENCY AND RELIABILITY

Since introducing PECO's pallets and implementing them in the automated handling system, Smith estimates pallet failure rate has been near zero.

Blanca utilizes some 50,000 pallets annually. "Over the course of a year, we're rejecting only about 120 of PECO's pallets – less than 1 percent," Smith calculated.

Smith added, "It's more efficient and has helped us alleviate some of the demand for labor. And with less pallet failure, we can maintain consistent throughput and meet our customers' demands."

The value of pallet quality also extends to Blanca's end customers, including retailers like Walmart. "They also have automated material handling in their distribution centers and require pallets that meet the proper spec and can run through their systems without failure," Smith added.

**Less than 1%
failure rate**
with PECO pallets

“PECO ensures we get a quality pallet that meets spec and doesn't fail in our system.”

Rodney Smith
General Manager

BLANCA POTATO



THE RESULTS

PROVEN BENEFITS

Among the benefits Smith has cited from going automated and employing PECO pallets have been:

- **Lower labor costs**
- **Less pallet failure (and associated costs)**
- **More consistent throughput**
- **Faster and more accurate response to customer needs**
- **Higher customer satisfaction**

LESSONS LEARNED

Farming is a tough, tight-margin business, so every opportunity in the farm-to-table cycle to reduce costs and improve efficiency and productivity helps those farmers sustain a profitable business.

“At the end of the day, that’s what we are here to do,” says Smith. “By switching to an automated processing line and PECO pallets, we can continue providing a cost-effective, reliable operation that helps farmers maximize their profits and get a quality product to retailers as efficiently as possible.”



WHAT CAN PECO DO FOR YOU?

To learn more about PECO Pallet and how our high-quality block pallets can reduce costs and improve efficiency in your supply chain, visit PECOpallet.com or send email to sales@PECOpallet.com.