

Receiving, Storage, and Inventory Control in Foodservice Systems

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RECEIVING

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It is the point at which a foodservice operation inspects the product and takes legal possession of the product ordered

Checking your purchases to ensure the correct items has been sent

THE PURPOSE of receiving

is to ensure that the food and supplies delivered match established quality and quantity specifications

The Process

1. Inspect the delivery and check it against the purchase order

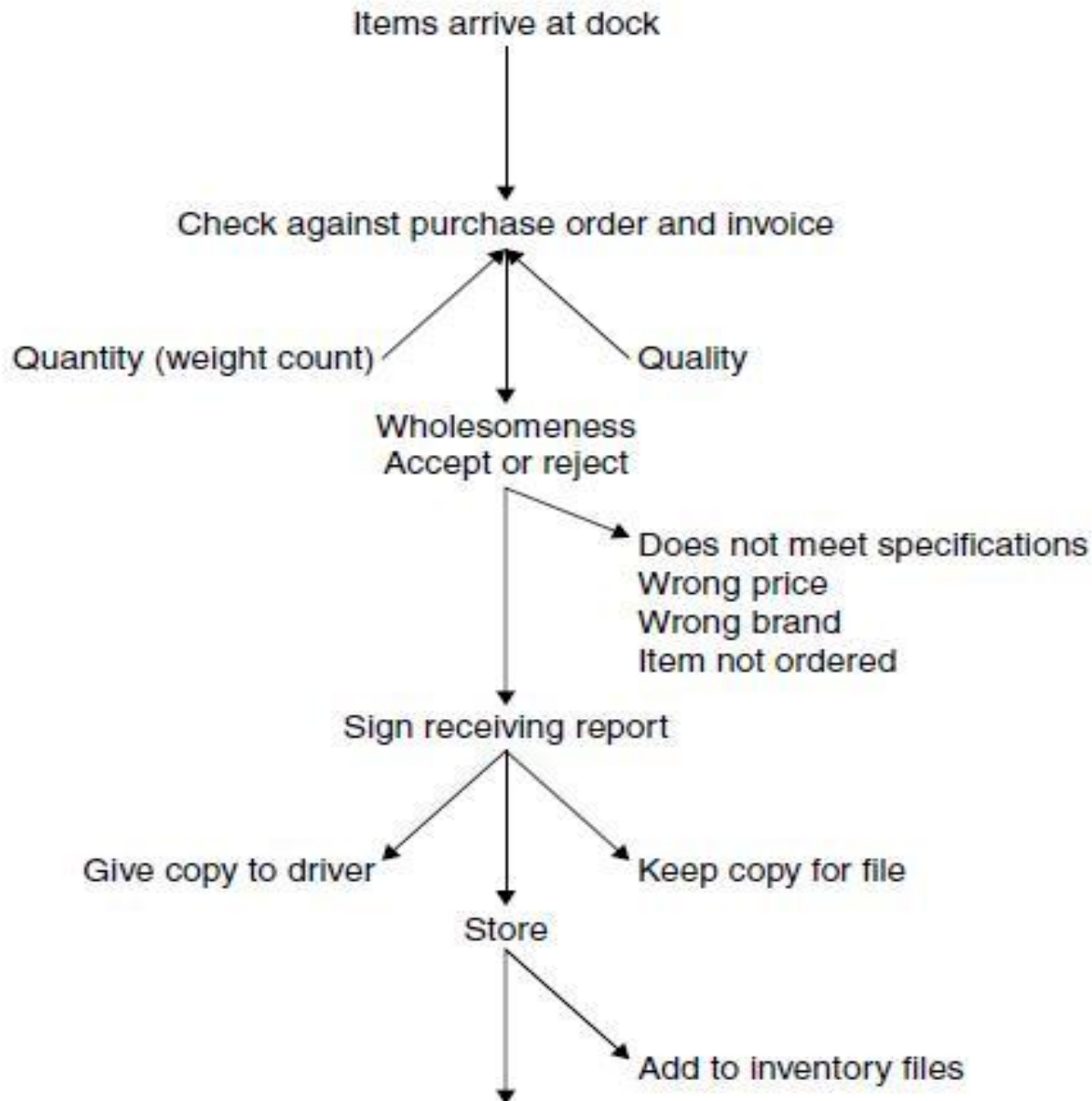
2. Inspect the delivery against the invoice

3. Accept an order only if all quantities and quality specification are met

4. Complete receiving records

5. Immediately transfer goods to the appropriate storage

Figure 18.1. Receiving System



METHODS

BLIND METHOD

- Blank invoice or purchase order → compared with the original order
- (+) : unbiased approach
- (-) : time consuming, more labor intensive

INVOICE

- Against purchase order and notes any deviations
- (+) : efficient
- (-) : requires careful evaluation

POLICIES for a good receiving

- Coordination with other departments
- Training for receiving personnel
- Facilities, equipment, and sanitation
- Scheduled hours for receiving
- Security

Potential consequences of a poorly planned receiving program

- Short weights
- Substandard quality
- Double billing
- Inflated prices
- Mislabeled merchandise
- Spoiled or damaged merchandise
- Pilferage or theft

STORAGE

The Process



- placing products in storage



- maintaining product quality and safety



- maintaining product security



- determining inventory value

STORAGE control

- **Spoilage of products**
caused by:
 - Improper product rotation
 - Time abuse
 - Temperature abuse
- **Theft of products**
 - Keep storage areas locked

Concepts of STORAGE

1. Condition of facilities and equipment
2. Arrangement of foods
3. Location of facilities
4. Security of storage areas
5. Dating and pricing of stored foods

REFRIGERATED storage

- Refrigerator temperatures should generally be maintained between 32° F -40° F
- Refrigerators actually work by removing heat from the contents, rather than "making" food cold

FROZEN storage

- Freezer temperatures should be maintained between 0° F - (-18)° F
- Must be regularly maintained includes cleaning inside and outside, constant temperature monitoring to detect possible improper operation



Environmental Health Services

Phone 8203 7405

Email: health@adelaidecitycouncil.com

Website: www.adelaidecitycouncil.com/health

Food Storage temperature check log sheet - Hot food at 60°C or above, Cold Food at 5°C or below.

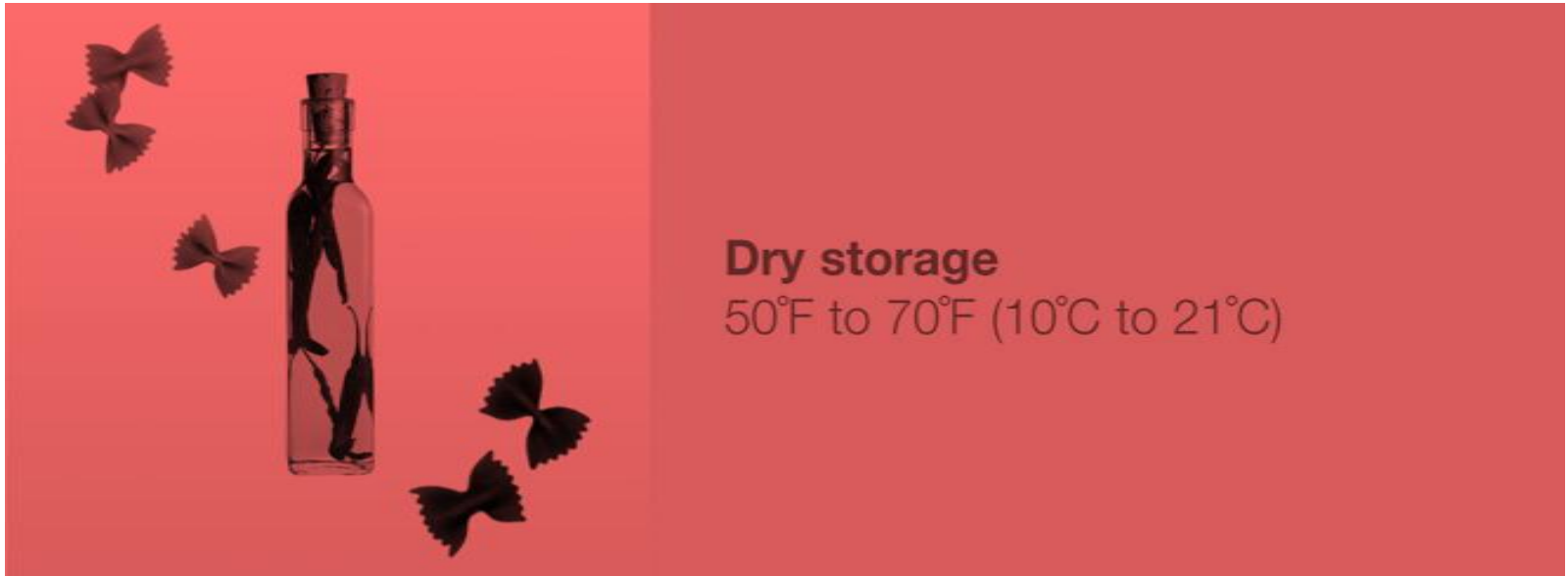
Storage procedure: check the fridge temperature each day and record. If above 5°C check again in 30 minutes. If not getting colder move potentially hazardous food to another fridge (or put into freezer if still cold) and advise manager.

Hot holding procedure: check the temperature of hot storage/bain-maries each day (or frequency determined by manager) and record. If below 60°C check power and settings and check again in 30 minutes. If still below advise manager and consider using alternative equipment.

Month/Year/.....	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Cool Room 1																															
Cool Room 2																															
Fridge 1																															
Fridge 2																															
Fridge 3																															
Freezer 1																															
Freezer 2																															
Bain Marie 1																															
Bain Marie 2																															
.....																															
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Checked By (initial)																															

Remember to calibrate your thermometer, in accordance to manufacturer's directions, on a regular basis.

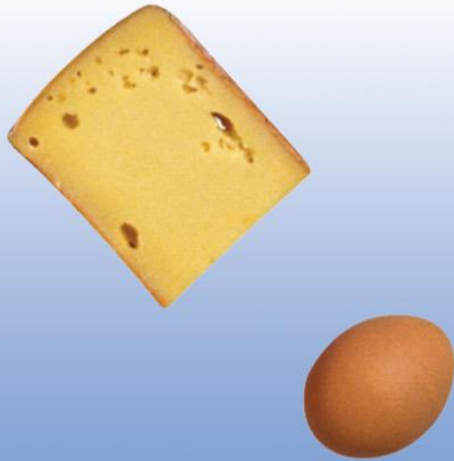
Dry Storage



Dry storage

50°F to 70°F (10°C to 21°C)

Eggs and Dairy



Eggs and dairy

41°F (5°C) or below

Eggs at 45°F (7°C) or below

Meat and Poultry



Meat and poultry
41°F (5°C) or below

Fish



Fish

41°F (5°C) or below

Table 18.1. Recommended Storage Temperatures and Times

Food	Refrigerator Storage (32°F to 40°F [0°C to 4°C])	Freezer Storage (0°F [-18°C] or Below)	Dry Storage (50°F to 70°F [10°C to 21°C])
Roasts, steaks, chops	3–5 days	Beef and lamb: 6 months Pork: 4 months Veal: 4 months Sausage, ham, slab bacon: 2 months Beef liver: 3 months Pork liver: 1–2 months	Never
Ground meat, stew meat	1–2 days	3–4 months	Never
Ham, baked whole	1–3 weeks	4–6 months	Never
Hams, canned	12 months	Not recommended	Never
Chicken and turkey	2–3 days	Chicken: 6–12 months Turkey: 3–6 months Giblets: 2–3 months	Never
Fish or shellfish	30°F to 32°F (-1°C to 0°C) on ice, 2–3 days	3–6 months	Never
Shell eggs	1–2 weeks	Not recommended	Never
Frozen eggs	1–2 days after thawing	9 months	Never
Dried eggs	6 months	Not recommended	Never
Fresh fruits and vegetables	5–7 days	Not recommended	Never
Frozen fruits and vegetables	—	Variable, depends on kind	Never
Canned fruits and vegetables	—	Not recommended	12 months
Dried fruits and vegetables	Preferred	Not recommended	2 weeks
Canned fruit and vegetable juice	—	—	Satisfactory
Regular cornmeal	Required over 60 days	Not recommended	2 months
Whole wheat flour	Required over 60 days	Not recommended	2 months
Degermed cornmeal	Preferred	Not recommended	Satisfactory
All-purpose and bread flour	Preferred	Not recommended	Satisfactory
Rice	Preferred	Not recommended	Satisfactory

Store on ice at a refrigerator temperature of 30°F to 32°F (-1°C to 0°C).

Source: Adapted from Byers, Shanklin, and Hoover, 1994, 2003.

Proper Sanitation is Key

- Store foods away from walls and at least six inches above the floor
- Store dry goods in airtight containers
- Walls and floors should be nonporous and easily cleaned
- Rotate stock to minimize spoilage
- Organize products so they are easily found
- Label shelves and sealed food containers
- Include “use by” dates and name labels for all stored products



INVENTORY

Beginning Inventory + deliveries = Food on hand

Food on hand – final inventory = food used

Inventory TYPES

- Physical Inventory → actual count, periodic
- Perpetual Inventory → up-to-date, but must be verified by physical inventory

Inventory CONTROL TOOLS

1. Valuing Inventory
2. The “ABC” Method
3. Fixed Item Inventory
4. Par Stock System
5. “Mini-Max” System
6. Economic Order Quantity

Valuing Inventory

1. Actual Purchase Price Method
2. First In First Out (FIFO) Method
3. Weighted Average Purchase Price Method
4. Latest Purchase Price Method
5. Last In First Out (LIFO) Method

Examples

Opening on the 1st of the month	: 10 cans @ \$2.35 = \$23.50
Purchased on the 7th of the month	: 24 cans @ \$2.50 = \$60.00
Purchased on the 15th of the month	: 24 cans @ \$2.60 = \$62.40
Purchased on the 26th of the month	: 12 cans @ \$2.30 = \$27.60

Opening inventory	: 10 cans
+ Purchases during the month	: 60 cans
Total available for use	: 70 cans
- Closing inventory (the number is available)	: 20 cans
= Amount consumed	: 50 cans

1. Actual Purchase Price Method

Each inventory item is valued at its original purchase price

Example:

4 cans @ \$2.35	= \$ 9.40
12 cans @ \$2.30	= \$27.60
4 cans @ \$2.60	= \$10.40
= 20 cans	= \$47.40

2. First In First Out (FIFO) Method

Oldest product is used first

Example:

12 cans @ \$2.30	= \$27.60
8 cans @ \$2.60	= \$20.80
= 20 cans	= \$48.40

3. Weighted Average Purchase Price Method

Inventory is valued at a average of all prices paid for the item

Example:

Average from all prices is \$2.48

20 cans @ \$2.48 = \$49.60

4. Latest Purchase Price Method

Example:

$$20 \text{ cans @ } \$ 2.30 = \$46.00$$

5. Last In First Out (LIFO) Method

Newest product is used first

Example:

10 cans @ \$2.35	= \$23.50
10 cans @ \$2.50	= \$25.00
= 20 cans	= \$48.50

Controlling Inventory Will. . .

- reduce food costs,
- reduce waste,
- reduce theft,
- reduce the need for storage, and
- reduce the risk of spoilage



THANK YOU!