

Standard Operating Procedure (SOP)

Product Rotation Following FIFO (First-In-First-Out) Principles

This SOP describes **product rotation following FIFO (First-In-First-Out) principles**, ensuring that inventory is managed efficiently by using older stock first to minimize spoilage and waste. It covers procedures for identifying product batch dates, organizing storage areas to prioritize older items, inspecting products for quality before rotation, and maintaining accurate records of inventory movement. The goal is to maintain product freshness, optimize stock usage, and improve overall inventory control within the supply chain.

1. Purpose

To describe the process for rotating inventory stock according to FIFO principles, ensuring older stock is prioritized and waste is minimized.

2. Scope

This SOP applies to all staff involved in inventory handling, storage, and distribution within the organization.

3. Responsibilities

- **Warehouse/Store Manager:** Ensure staff adherence to FIFO procedures and proper training.
- **Inventory Staff:** Accurately identify, rotate, and record inventory according to FIFO principles.
- **Quality Assurance:** Inspect and verify product quality during rotation.

4. Definitions

- **FIFO:** First-In-First-Out; inventory management approach that ensures oldest stock is used or sold first.
- **Batch Date:** The manufacture or receipt date assigned to a product unit or batch.

5. Procedure

1. **Identify Product Batch Dates:**
 - Check all incoming products for clearly marked batch, receipt, or expiry dates.
 - Label products if dates are missing or unclear before storage.
2. **Organize Storage Areas:**
 - Arrange products in storage so that older batches are positioned at the front, and newer stock is placed behind.
 - Ensure clear signage and labeling of product dates on shelves.
3. **Rotate Products:**
 - When picking for production or sale, always select the items with the earliest batch or receipt date.
 - After each stock addition, rearrange items as necessary to maintain FIFO order.
4. **Inspect Products for Quality:**
 - During rotation, check all products for signs of damage, spoilage, or expired shelf-life.
 - Segregate and dispose of non-conforming items as per disposal SOP.
5. **Maintain Accurate Records:**
 - Record inventory movement (incoming, outgoing, transferred, disposed) in logbooks or inventory management software.
 - Document the batch/receipt date, quantity, and any observations on product quality.

6. Documentation

Record Type	Responsibility	Retention Period
Inventory Movement Log	Inventory Staff	2 years
Product Inspection Reports	Quality Assurance	2 years
Training Records	HR/Manager	3 years

7. References

- Inventory Control Policy
- Product Disposal SOP
- Quality Assurance Guidelines

8. Revision History

Version	Date	Description	Author
1.0	2024-06-15	Initial SOP Release	Supply Chain Manager