Abstract

“Supply Chain Management in Food Processing Industry”
- A study with reference to selected food processing units in Karnataka state

Supply chain management is a novel management philosophy that recognizes that individual businesses no longer compete as solely autonomous units, but rather as supply chains. Supply chain management is a source of competitive advantage and it has emerged as one of the most powerful business improvement tools in recent times. Managing the supply chains in today’s competitive world is increasingly challenging.

India is home to about one billion people and agriculture is vital to India for providing sustenance to about one-sixth of the world’s population. The need to ensure adequate food supply to the world’s second most populous country has guaranteed agriculture a place at the top of the nation’s priority list. As incomes rise and food consumption patterns evolve, India’s food industry will shift away from subsistence foods to basic foods over the coming decade, the food industry offers one of the largest opportunities in India today in terms of employment and investment.

The supply chains in the Indian food processing industry are unique and are characterized by its diversity and length combining complex network of relationships, weak or vulnerable links with no supply chain orientation.

This research is a large scale empirical effort to look into the current supply chain management practices in the wheat based food processing industry, to critically appraise the supply chain management strategies followed in the industry, to discuss the issues and challenges of supply chain management in the wheat- based food processing industry and systematically establish the multitude and magnitude of the linkages that exist in the supply chain of the food processing industries with clearly defined boundaries. The scope of this research has been confined to study the supply chain management in few selected wheat- based food processing units of Karnataka at the primary level.

The primary data collected from the respondents of the identified constituents of the supply chain such as farmers, procurement-intermediaries, primary level processors (wheat flour mills), distribution-intermediaries, and retailers are evaluated and analyzed with appropriate statistical tools to arrive at the conclusion. The discussions on major findings of the research are presented with appropriate recommendations for the problems identified in this research.
The objective of every supply chain is to maximize the overall value generated. This research makes an attempt to explore the essential factors that constitute the effective value delivery in supply chain and the factors that add value to the participants of the supply chain. Through extensive literature review and identification of best practices, this research presents the conceptualization of strategies for energizing the supply chain management in food processing industries through value analysis.

This study also presents a unique and an innovative generic model to build the rural information infrastructure which provides marketing intelligence to farmers and a medium to connect rural and urban India and an avenue to the corporates for rural supply chain development.

The results of the study provide enough contributions to the subject matter, research, and have several important implications for practitioners and policy makers.