CHAPTER ONE

INTRODUCTION
CHAPTER ONE

INTRODUCTION

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Contents</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>INTRODUCTION</td>
<td>2</td>
</tr>
<tr>
<td>1.2</td>
<td>SELECTION OF THE TOPIC</td>
<td>3</td>
</tr>
<tr>
<td>1.3</td>
<td>OBJECTIVES OF THE STUDY</td>
<td>4</td>
</tr>
<tr>
<td>1.4</td>
<td>HYPOTHESIS</td>
<td>5</td>
</tr>
<tr>
<td>1.5</td>
<td>RESEARCH METHODOLOGY</td>
<td>7</td>
</tr>
<tr>
<td>1.5.1</td>
<td>Sampling Area</td>
<td>7</td>
</tr>
<tr>
<td>1.5.2</td>
<td>Sample Size</td>
<td>7</td>
</tr>
<tr>
<td>1.6</td>
<td>METHODS OF DATA COLLECTION</td>
<td>9</td>
</tr>
<tr>
<td>1.7</td>
<td>SURVEY PERIOD</td>
<td>12</td>
</tr>
<tr>
<td>1.8</td>
<td>SELECTION OF SAMPLES</td>
<td>12</td>
</tr>
<tr>
<td>1.9</td>
<td>PARAMETERS FOR COMPARISON OF PERFORMANCE OF BAKERY OWNERS</td>
<td>13</td>
</tr>
<tr>
<td>1.10</td>
<td>LIMITATIONS OF THE STUDY</td>
<td>14</td>
</tr>
<tr>
<td>1.11</td>
<td>CHAPTER SCHEME</td>
<td>15</td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION

1.1 INTRODUCTION:

Food is a necessity of every human being. Providing of the food, clothing and shelter is the first aim of every Government, that's why government has given more stress on the production of food in first five-year plan (1951-1956). The Government of India thought that it would be a misnomer to think to talk of economic development of the country without providing adequate food to every existing as well as incoming individual's in the country. In effect in 1992 the per capital net availability of food grains has reached 653.9 grams per day as compared to 340.9 grams per day in the year 1950. The secular growth rate in the agriculture production for the period of 1950-51 to 1991-92 exceed by 3.99 per annum. During the same period food production had more than doubled from 6.39 crores tones, while the population growth less that double from 45 crores in 1961 to 78.69 crores in 1991. This sufficient process that the government of India had made available of food grains to every Indians.

It is the cultural and traditional method of Indian people to eat to cooked food. In urban as well as rural houses cosine buys females has been the practice and convention from ages. The new food grains processed for cooking purposes. Thus, the culinary culture has been the specialty of the Indians. Due to the rapid growth and industrialization have phased in and are growing in India to sustain the demand of various products by the consumers at large for at least twelve thousand years man has making various types of bread, but in India it is of recent origin. As would be observed that the number of bread making units big and small have come into existence almost in every city and towns of India. Along with the establishments of bakery products

- Introduction
manufacturing units, a complete and comprehensive channel of distribution on
has emerged.

However, it would be seen that so far no detailed study has been made in
respect of the problems of this industry. In view of this fact of systematic
attempt is made to explore the facts regarding installation, finance, 
production, labour, marketing and distribution aspects of the bakery industry
and its role in the nation's economy. The study of small scale bakery products
manufacturing units should be considered important from the point of view of
its place in every common man's life in general and creation of employment
opportunities for today and in future.

1.2 SELECTION OF THE TOPIC:

The research student has selected the topic of Problems and Prospects of
small-scale bakery products manufacturing units in Pune District. This topic of
research is very much interested and closely related to everybody because it
is related with the basic necessity of every human being. However, it would be
seen that there is no any detailed study has been made in respect of
problems and prospects of small-scale bakery products manufacturing units.
The research student has noticed that there are lots of problems faced by
these businessmen for e.g. production, finance, labour, marketing, distribution
etc.

The study of small-scale bakery products manufacturing units considered
from the point of view of creation of employment, a source for self-
employment opportunities etc. In present position also these small-scale
bakery units is not freed from the typical problems like shortage of capital,
skilled labour, insufficient market facilities, lack of technology etc.
1.3 OBJECTIVES OF THE STUDY:

The present study attempts to analyze the following objectives:

1) To make an in-depth study of various problems pertaining to finance, management, marketing and distribution.

2) To analyze the promotional and motivating factors behind the small-scale bakery product manufacturing owners.

3) To compare difficulties faced by small-scale bakery product manufacturing owners in Pune City, Pimpri-Chinchwad and Pune District areas.

4) To assess the capital investment in this industry and the capital structure.

5) To study manpower intake capacity of bakery industry.

6) To study weather a particular community plays a dominant role.

7) To study the various aspects responsible for the growth of this industry and provide guidelines to the potential entrepreneurs.

8) To compare performance of small-scale bakery product manufacturing owners in survey areas.

9) To determine the factors which contribute significantly to “Success” in the bakery business.
1.4 HYPOTHESIS:

1. Hypothesis:

Bakery industry is basically a food industry, run mostly on small scale, medium scale and like a cottage industry with its changing demand, increasing popularity the bakery businessmen change reasonable profit to protect the interest of consumers and also to develop the consumption potentiality by popularizing the utility of bread and other various bakery products like Biscuits, Cream Rolls, Pastry, Cake. In this way bread has no longer remained the fancy of rich – persons only but has extensively become the dietary – habits of the poor persons too.

Emergence of this state is responsible for the establishments, providing readymade food like hotels, restaurants, canteens, small as well as big instant food products and bakeries in Pune district. In the light of this situation it is essential to take the note of the role that is being played by this food producing bakery units, which plays a very vital role in satisfying the food needs of increasing the population and some time inevitable part of their daily life. It is to be noted that in this age of fast food eating lifestyle, Bakery Products have gain their popularity which is a evidence from the day-to-day increasing demand for the various bakery products.

There are various types of bakery products especially the bread is peculiar to the various countries e.g. there are French, German, Russian, British and other breads. Every type of bread has its own characteristic features in material preparation methods, tastes and shapes. However, American type of bread is generally adopted widely through the world because the prime...
reason is that it is prepared fully mechanically process start to an end. Bread is bound to become more popular throughout the world.

Now days in brief bakery industry occupies an important role in the national economy and at the same time it has become an integral part of the common man's daily life. This is because of changing pattern of life, particularly in medium and big cities and towns. Eating habits of Indian people are responsible for increasing importance of bakeries in recent time and it is a common phenomenon. Pune district is also no exception for this general rule. Pune, which was reckoned as the cultural and educational capital of India is coming up as one of the industrially advanced place and business center in the recent times. This development is so fast that the surrounding places could not remain unaffected of its impact. It is a fact that almost all places in this district have shared in this development. This industrialization of Pune and its suburbs is responsible for high employment potentials. In this way, the whole economy of Pune district is experiencing a changing economy, habits, behaviour and attitudes of the masses of this area.

This is small study contribution is aimed to assess and study the various problems faced by the small scale bakery products manufacturing units in Pune district as well as their prospects considering these facts following working hypothesis were formulated.

2. Working Hypothesis:

Ho1: - Bakery business has provided significant self-employment.

Ho2: - The growth and development of bakery business in Pune district is remarkable.
Ho3: - Bakery business has certain problems regarding finance, marketing of products and skilled labour.

Ho4: - There is a need of proper training to the workforce who are working in bakery business.

1.5 RESEARCH METHODOLOGY:
It is observed that all small-scale bakery products manufacturing units in Pune district are generally run as sole proprietor firms. This study related to the study of small-scale bakery products manufacturing units in Pune district.

The study was carried out on the sample of 300 small-scale bakery units belonging to Pune Municipal Corporation area, Pimpri Chinchwad Municipal Corporation area and 13 Talukas of Pune District. A random sampling technique was used for the collection of necessary data.

The subject selected for dissertation purpose can be considered as “social research” and the method adopted is “survey method”.

1.5.1 Sampling Area:
The study is confined to Pune, Pimpri Chinchwad Municipal Corporation and Pune District (Taluka) areas.

1.5.2 Sample Size:
Researcher has selected sample of 300 Small-Scale Bakery Manufacturing Units out of 500 small-scale bakery products manufacturing units from Pune, Pimpri Chinchwad Municipal Corporation and Pune District (Taluka) areas.
Table 1.1  
Area Wise Breakup of Small-Scale Bakery Products Manufacturing Units

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>No of Bakery Units</th>
<th>No of Bakery Units Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Pune Municipal Corporation Area</td>
<td>180</td>
<td>120</td>
</tr>
<tr>
<td>2.</td>
<td>Pimpri Chinchwad Municipal Corporation Area</td>
<td>120</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>Mulshi</td>
<td>03</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>Welha</td>
<td>01</td>
<td>1</td>
</tr>
<tr>
<td>5.</td>
<td>Shirur</td>
<td>06</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Indapur</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>7.</td>
<td>Daund</td>
<td>26</td>
<td>16</td>
</tr>
<tr>
<td>8.</td>
<td>Purandhar</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>9.</td>
<td>Khed</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>10.</td>
<td>Ambegaon</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>11.</td>
<td>Junnar</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>12.</td>
<td>Bhor</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>13.</td>
<td>Haveli</td>
<td>32</td>
<td>18</td>
</tr>
<tr>
<td>14.</td>
<td>Mawal</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>15.</td>
<td>Baramati</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>500</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>

*Source of Information:
The authorized list is published by “Pune District Bakery Goods Producers Consumer Co-operative Organization Ltd. (Maida Society), Pune”
1.6 METHODS OF DATA COLLECTION:

a) Primary Source
   i) Structured questionnaire to bakery owners
   ii) Interviews of bakery owners with their employees

The primary data was collected from the owners of small-scale bakery products manufacturing units in Pune district. At present in Pune district there are 500* bakery business units are working successfully. The researcher has decided to visit small-scale bakery products manufacturing units personally for collecting upto date information for research work.

To obtain the necessary information and prompt opinions of selected small-scale bakery products manufacturing units in Pune district, the selected bakery units were visited during the entire period of the study. Most of the bakery units the researcher have visited twice or even three times as per the convenience and availability of bakery owners.

In the first visit through the personal interviews it was observed that the majority bakery units are working in shifts system. During the course of these visits, personal discussions were held with the bakery and working staff of various classes. In this way every effort was made together all sort of information related to the respective bakery units under study and actual observations were made as regards to the manufacturing process, packing – working conditions, selling practice and various factors affecting on the bakery business.

More emphasis was given to gather the information through questionnaire, in order to get data for the sake of analysis, classification and tabulation. A
detailed questionnaire containing 9 main questions and 90 sub-questions was prepared in consultation with my guide. Some bakery owners was specifically mentions that the study have been made at a micro level, which could serve the purpose of further processing, in the near future, by the researcher. It is also study; hence, no need was felt that to apply complicated statistical techniques.

Oral and general discussions were also held with the workers while going round the bakery premises. In order to get familiar with the working conditions and problems of workers, to observe the safety of workers, to observe the safety and cleanliness proper measures were adopted with regards production, storage and wastages. In order to get first hand and correct information about the working of bakery units and also to cross check some of the answers given by the owners of bakery during the course of filling up of the questionnaire.

One should be aware of the fact that prior appointment must be taken from the bakery owners of Pune urban areas, thus appointments were taken in advance and blank copy of the questionnaire was also given to them, to be filled up, if they wished or liked, in order to remove their misconceptions and fear from their minds. On the appointment date and time, the selected bakery units were visited personally and all unanswered questions were filled up in the presence of bakery owner, who so ever were present.

It was observed that the similarity while surveying the bakeries in the Pune urban areas that the more and educated owners of bakery units were more difficult to get their assistance and co-operation in filling up the questionnaire. The less or uneducated bakery unit owners found to be much more co-
operative than the educated bakery unit owners. The more educated bakery owners at times even refused to give answers, to some particular questions in the questionnaire on the grounds that their business secrets would be leaked out. While this sort of fear was seen absolutely absent with the illiterate or lesser-educated bakery owners.

The more or highly educated bakery owners were even reluctant allow their workers to be interviewed and even in granting permission to have a look at the system of working. It was noticed that if some points or explanation regarding the production process were being discussed with the workers, for some more details, immediately the proprietor would issue orders to that particular worker and to discuss the matter later on. This was their style of cutting or to stop more discussion with their workers. This sort of attitude was not seen with the lesser or uneducated owners.

In other hand the remaining 13 Taluka areas the collection of information was comparatively much easier that Pune urban areas. While visiting to their bakery premises and explaining the objectives of the study and visit, they would whole hearted extend all the necessary possible help. The only problem confronted in visiting these bakeries in the various talukas was the traveling problem, which consumed a lot of time or else every other things was normal.

However, it should be specifically noted that during the course of study visit to selected bakery units in taluka areas, some of the owners would even offer samples of their freshly baked breads, cake, biscuits etc for taste and would request to write about their qualities. Such type of offers were never made by
any of the bakery owners in Pune urban areas, is also an important point of
observation.

b) Secondary Data:
Secondary data also plays vital role in the research work. Secondary data
was collected from Pune District Bakery Goods Producers Co-operative
Consumer Organization Ltd. (Maida Society) Pune, Marattha Chamber of
Commerce Industries and Agriculture, Pune (MCCIA), District Industry Centre,
Pune (DIC), Western Maharashtra Development Corporation (WMDC),
Maharashtra Industrial & Technical Consultancy Organization (MITCON),
Food Craft Institute, Bharati Vidyapeeth Deemed University, Indian Food
Processing Industry Association, Mumbai, All India Bread Manufacturers
Association, New Delhi, All India Food Processors Association (AIFPA), New
Delhi, Society of Indian Bakers (SIB), New Delhi, Maharashtra Centre for
Entrepreneurship Development (MCED), Jaykar Library, Pune University,
Library of Mumbai University, Mumbai, Library of Madras University, Chennai.

1.7 SURVEY PERIOD:
The researcher has conducted the fieldwork (survey) from September 2005 to
September 2006. The researcher has conducted the survey of selected small-
scale bakery products manufacturing units in Pune, Pimpri-Chinchwad and
Pune District (Taluka) areas.

1.8 SELECTION OF SAMPLES:
First of all area wise list of all bakery units was prepared after that the division
of bakery units was made as regards those are coming under Pune Municipal
Corporation Area, Pimpri-Chinchwad Corporation Area and rest of Taluka
areas of Pune District.
Out of the 180 bakery units in Pune Municipal Corporation Area 120 bakery units were selected. As well as out of the 120 bakery units in Pimpri Chinchwad Municipal Corporation Area 20 bakery units were selected. After this the list from taluka area bakery units were selected. While selecting the bakery units maximum stress is given only on small scale bakery products manufacturing units because this is the main objective of the research study. It was decided to take the samples of 160 out of the 200 bakery units in Taluka area of Pune District. In this way out of the total 500 bakeries in Pune District, a plan was prepared for the study of 300 samples only.

1.9 PARAMETERS FOR COMPARISON OF PERFORMANCE OF BAKERY OWNERS:

The survey questionnaire has been designed to facilitate the appraisal of data collected with reference to bakery owners. In order to ensure the practical approach, following parameters have been given prominence. The parameters are as follows;

a) **Education**: If bakery owners have academic and professional qualification it becomes a special advantage. Education widens their horizons and creates awareness about self and business environment. Therefore, qualified bakery owners are likely to be more successful in their business.

b) **Experience**: Experience is the outcome of awareness of past failures and success. Experience develops insight in and understanding of the problem.

c) **Risk Undertaken**: Risk and returns are the two sides of businessmen’s performance.
d) **Motivation**: A self-motivated businessman is likely to be successful.

e) **Motivational Factors**: Many motivational factors such as desire to earn money, to support family income, to be a boss, self-identity, etc. influence businessmen's behaviour.

f) **Decision Making**: Independent decision making shows self-confidence. Those who have the courage to take independent decisions, develop risk-bearing capacity, and such bakery owners are likely to be successful.

g) **Affiliation**: "Business is a social activity". "Man is a social animal" therefore maintenance of social contacts is absolutely necessary to be successful in bakery business.

h) **Innovation**: Innovation is a symbol of change and progress. Innovative bakery owners are likely to be successful.

i) **Problems Faced**: Problems in raising finance, marketing difficulties and labour problem are the main problems. These three broad problems faced are inherent in any business. The success in business depends on skillful management of these problems.

1.10 **LIMITATIONS OF THE STUDY**: 
In Pune District there are 500 bakery products manufacturing units working at present. The researcher has decided to take only small-scale bakery units for research work. Questionnaire was prepared in Marathi (Local Language) for the owners of Bakery units because majority bakery owners are not educated enough to interact in English and answers of those questionnaire were obtained personally.
This research study considers small-scale bakery products manufacturing units, which produced the bakery products and sell them to the consumers. The general merchant as well as traders, suppliers, merchants who merely sell the bakery products are not concerned within the scope of this research. The research is made in respect of bakery products i.e. only those products, which are baked in the oven.

The survey and personal interview method considered for collecting the primary data and researcher known very well the limitations of the same. Majority of the respondents being the uneducated persons, it was quite difficult to obtain the complete information and frank opinions of them, inspite of this the researcher has visited maximum bakery products manufacturing units in Pune district for the purpose of the research work.

1.11 CHAPTER SCHEME:

1. **Chapter One: Introduction**
   This chapter includes - Selection of the Topic, Objectives of the Study, Hypothesis, Research Methodology, Methods of Data Collection, Survey Period, Parameters of comparison of performance of bakery owners, Limitation of the Study.

2. **Chapter Two: Importance and Background**
   This chapter broadly covers the importance and background of the bakery business and gives an idea about the first food, grain rise, Greek innovations, Roman and Beyond, the bake house and the bakery, the profession of baking and regulation and changes in the modern era and new trends in modern baking.
3. **Chapter Three: History of Bakery Business in the World**

The chapter mainly focused on history of bakery business in the world, growth of bakery business in the world, medieval times, the industrial age (1700-1887) and the position of bakery business in the twentieth century.

4. **Chapter Four: World History of Food Products and Bakery Products**

This chapter takes a review of World History of Food Products and Bakery Products, the agricultural age, the industrial age, the information age, bread history, types of bakery products, confectionery and history and growth of cakes.

5. **Chapter Five: Growth and Development of Bakery Business in India**

This chapter deals with growth and development, bakery industry in Maharashtra, history of bakeries in Pune district, transmission of Muslim culture, growth and development of bakeries in and around of Pune city.

6. **Chapter Six: A Review of Bakery Business in Pune District:**

This chapter presented the analyzed data of the survey with the help of tables and graphs. The data is analyzed for comparison of Pune, Pimpri-Chinchwad and Pune district (Taluka) areas.

7. **Chapter Seven: Bakery Business Production Aspect**

This chapter gives and idea about production process of various bakery products, key decisions of production, available finance, financial aspects and working capital which are necessary for bakery business, starting of bakery business unit, management of earnings, marketing of bakery goods and nature and features of bakery products.
8. **Chapter Eight: Bakery Business – Important Problems and Issues**

The chapter states the important problems and issues related with bakery business, competition in bakery business, workers in bakery business, association of Pune District Bakery Products Manufactures, credit facility and liquidity position.

9. **Chapter Nine: Observations and Recommendations**

This chapter mainly focuses on observations and recommendations for bakery business, essential considerations while starting a bakery business unit, and the main features of bakery business in connection with production aspect, financial aspect and marketing aspect, competition in bakery business, workers in bakery business, the role of bakery products manufacturing association with other problems and issues and necessary recommendations to solve the various problems faced by small-scale bakery business.