

MODELLING AND SIMULATION BASED OPTIMISATION
OF FOOD GRAIN SUPPLY CHAIN USING MULTI AGENT
SYSTEM AND GENETIC ALGORITHM- WITH
REFERENCE TO PUBLIC DISTRIBUTION SYSTEM



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Multi Agent System and Genetic Algorithm- with Reference to Public Distribution
System**

ABSTRACT

Government intervenes at all stages of food grain supply chain (FGSC) through Public Distribution System (PDS) in order to provide food security to the population and fair prices to the farmers. These objectives can be achieved with an efficient and effective distribution system which will address the complexity and inherent decentralization of activities present in the system. Researchers have observed that due to its complex nature PDS has several issues within all its stages namely, procurement, storage, and distribution, leading to inefficiencies in the supply chain. Moreover, the research addressing PDS from the perspective of supply chain management either just describes the supply chain or analyses it with a focus on one of the niche areas of supply chain. Therefore, the objective of the present study is to develop a supply chain model to address these inefficiencies.

The study was conducted in three phases. The first phase of study maps the PDS supply chain for understanding various agents involved in the PDS, describes their interaction and presents the environment in which they are working. The mapping act as base for modelling building and also present the complexities in the system. The second phase models the processes in the PDS on a software platform and used these models for scenario generation and further understanding the impact of different supply chain policies on the performance of the PDS. The third phase of study optimises the inventory policy in TPDS using simulation optimization via genetic algorithm.

In the first phase, the mapping is done using principles of multi agent system (MAS). The PDS is mapped as two different stages. The first stage covers the processes of procurement and storage, and the second stage covers the distribution process. The study also proposes the performance matrix for the PDS supply chain based on various processes of the supply chain.

In the second phase, the processes discussed in the mapping are modelled using MAS. We developed a customised model specific to the context of Targeted Public Distribution System (TPDS) and open market sales as the objectives of these processes are different to that of a generic supply chain. NetLogo programmable modelling environment is used for modelling the supply chain.

In the third phase, we adopted a two-stage modelling approach for this purpose. In the first stage, a simulation model was developed for periodic review, base-stock policy with appropriate assumptions. The objective here was to minimise Total Supply Chain Cost (TSC). The TSC consists of three cost elements namely, ordering cost, holding cost and shortage cost. The three cost elements in turn depend on the inventory policy parameters such as review periods and base stock levels at various echelons. In the second stage, a Genetic algorithm (GA) based optimization approach is used. The GA implementation is based on simulation for a given set of policy parameters. The aim of GA is to identify an optimal set of policy parameters of the system.

Key Words: Food Grain Supply Chain, Public Distribution System, Multi Agent System, NetLogo, Genetic Algorithm

CONTENTS

ABSTRACT.....	i
ACKNOWLEDGEMENTS.....	iii
CONTENTS.....	v
LIST OF FIGURES.....	viii
LIST OF TABLES.....	xi
ABBREVIATIONS.....	xiii
1. INTRODUCTION.....	01
1.1.Public Distribution System.....	07
1.2.Motivation and Objectives.....	08
1.3.Scope.....	11
1.4.Thesis Structure.....	11
2. LITERATURE REVIEW.....	13
2.1.Food supply chain Management.....	15
2.1.1. Supply chain integration/coordination.....	19
2.1.2. Risk management.....	22
2.1.3. Sustainability.....	24
2.1.4. Cost reduction.....	24
2.1.5. Summary.....	25
2.2.Food supply chain in India.....	26
2.2.1. Summary.....	32
2.3.Public Distribution System.....	32
2.3.1. Problems.....	42
2.3.2. Solutions.....	45

2.3.3. Summary.....	48
2.4.Modelling of Food Grain Supply Chain.....	49
2.4.1. Modelling Approaches.....	54
2.5.Multi Agent Based Supply Chain.....	55
2.5.1. Agents, their attributes and behaviour.....	58
2.5.2. Agent relationship and method of interaction.....	60
2.5.3. Agents' Environment.....	62
3. PERFORMANCE MEASURES FOR THE PDS	63
3.1.1. Performance Indicators for Purchasing.....	72
3.1.2. Performance Indicators for Storage.....	73
3.1.3. Performance Indicators for Distribution.....	73
4. MODELING FOUNDATIONS.....	77
4.1.Modelling of the PDS using Multi Agent System.....	79
4.2.Inventory Policy Optimization in the Distribution System.....	82
5. MAPPING OF PUBLIC DISTRIBUTION SYSTEM.....	83
5.1.Mapping of Procurement and Storage.....	85
5.2.Mapping the Distribution system(TPDS).....	89
5.3.Mapping of Distribution (Open Market Sale).....	94
5.3.1. For bulk sales.....	94
5.3.2. For small Traders.....	100
6. MODELLING OF THE PDS USING MULTI AGENT SYSTEM.....	102
6.1.Modelling of Distribution System (TPDS).....	104
6.1.1. Model verification.....	122

6.1.2. Experimentation.....	123
6.1.3. Results.....	125
6.1.4. Summary.....	132
6.2. Modelling of Open Market sales.....	132
6.2.1. Design of experiment.....	140
6.2.2. Results.....	141
6.2.3. Summary.....	143
7. OPTIMIZATION OF INVENTORY POLICY AT DISTRIBUTION (TPDS) USING SIMULATION VIA GENETIC ALGORITHM.....	145
7.1. Optimization problem.....	148
7.2. Scheme of GA for Optimization.....	150
7.3. Experiment design.....	157
7.4. Results.....	160
7.5. Summary.....	166
8. CONCLUSION.....	167
8.1. Contribution.....	169
8.2. Limitations.....	171
8.3. Future work.....	172
REFERENCE	173

LIST OF FIGURES

Figure 1: Presence of government in food grain supply chain.....	6
Figure 2: Scope of literature review	14
Figure 3: Classification of literature related to food supply chain	18
Figure 4: Structure of the government food distribution.....	37
Figure 5: Supply chain modelling approaches.....	53
Figure 6: Steps in modelling of the PDS.....	79
Figure 7: Steps in modelling of PDS using MAS.....	82
Figure 8: Interaction between Agents during Purchase.....	89
Figure 9: Interaction between Agents during Distribution.....	91
Figure 10: Interaction between Agents during Open Market sale (Bulk Buyer).....	97
Figure 11: Interaction between Agents during Open Market sale (small traders).....	100
Figure 12: Generic Agent structure.....	105
Figure 13: Agent state diagram for cardholders.....	107
Figure 14: Agent state diagram for Fair Price Shop.....	108
Figure 15: Agent state diagram for Fair Price Shop.....	109
Figure 16: Agent state diagram for Issue Centre.....	110
Figure 17: Agent state diagram for Issue Centre.....	111

Figure 18: Agent state diagram for Storage Depot.....	112
Figure 19: Agent state diagram for Storage Depot.....	113
Figure 20: NetLogo model for TPDS.....	114
Figure 21: Quantities ordered By FPS.....	131
Figure 22: Average stocks at FPS with daily purchase.....	131
Figure 23: Average stocks at FPS with periodic purchase.....	132
Figure 24: Agent state diagram for Bulk Buyer.....	135
Figure 25: Agent state diagram for Bulk Buyer.....	136
Figure 26: Agent state diagram for Issue Centre.....	137
Figure 27: Agent state diagram for Issue Centre.....	138
Figure 28: NetLogo Model for Open Market sales.....	139
Figure 29: On-hand inventories with deterministic distribution.....	141
Figure 30: On-hand inventories with Poisson distribution.....	142
Figure 31: On-hand inventories with normal distribution.....	142
Figure 32: Comparison of on-hand inventories at Issue Centre-1.....	143
Figure 33: Comparison of on hand inventories at Buyer-5.....	143
Figure 34: Simulation optimization via genetic algorithm.....	146
Figure 35: Iterative process for optimization.....	147
Figure 36: Optimization Problem for simulation via GA.....	148

Figure 37: Solution representation for GA optimization.....	150
Figure 38: Initialisation process used for GA.....	152
Figure 39: Convergence of GA (Scenario 1) for average fitness.....	162
Figure 40: Convergence of GA (Scenario 1) for best fitness.....	162
Figure 41: Convergence of GA (Scenario 1) for worst fitness.....	163
Figure 42: Convergence of GA (Scenario 2) for best fitness.....	163
Figure 43: Convergence of GA (Scenario 2) for Average fitness.....	164
Figure 44: Convergence of GA (Scenario 2) for worst fitness.....	164
Figure 45: Convergence of GA (Scenario 3) for best fitness.....	165
Figure 46: Convergence of GA (Scenario 3) for average fitness.....	165
Figure 47: Convergence of GA (Scenario 3) for worst fitness.....	166

LIST OF TABLES

Table 1: Various food security measures used across world.....	05
Table 2: Suggested changes in food supply chain in India.....	30
Table 3: Food-related schemes of Government of India.....	38
Table 4: Capabilities of Multi-Agent Systems.....	57
Table 5: Overview of Performance Indicators.....	66
Table 6: Problems and appropriate performance indicators.....	74
Table 7: Modelling Requirement and capacities of MAS.....	78
Table 8: Interaction of Agents in Procurement and Storage process.....	86
Table 9: Interaction between Agents during Distribution (TPDS).....	92
Table 10: Interaction between Agents during open market sales (Bulk Buyer).....	95
Table 11: Interaction between Agents during open market sales (small traders)	99
Table 12: Summary of Demand Data.....	115
Table 13: Demand details of BPL cardholders.....	116
Table 14: Demand details of APL cardholders.....	118
Table 15: Demand details of AAY cardholders.....	120
Table 16: Initial parameters for the TPDS model.....	123
Table 17: Summary of results with daily purchase.....	125
Table 18: Summary of results with periodic purchase.....	127
Table 19: Performance on the suggested performance indicators.....	129
Table 20: Initial parameters for Open market sale.....	140
Table 21: Combination of Costs used for GA.....	150
Table 22: Details of the scenarios used for the experiment.....	160

Table 23: Result of Simulation via GA.....	160
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ABBREVIATIONS

AAY- Antyodaya Anna Yojana

APL- Above Poverty Line

BPL- Below Poverty Line

CWC- Central Warehouse Corporation

FCI-Food Corporation of India

FGSC- Food Grain Supply Chain

FPS- Fair Price Shop

GA- Genetic Algorithm

IC- Issue Centre

MAS- Multi Agent System

MSP- Minimum Support Price

PDS- Public Distribution system

SD- Storage Depot

TPDS- Targeted Public Distribution System

TSC- Total Supply Chain Cost