Minimizing the Error Gap in Smart Framing by Forecasting Production and Demand Using ARIMA Model

1. Introduction

Agricultural advisers and other extension specialists, for instance, are becoming increasingly vital in helping farmers understand and embrace precision agriculture. GPS is an abbreviation for navigation system [1, 2]. Agribusiness, which utilizes more than 66% of India’s provincial populace, is the country’s monetary spine. Beat crop development is pivotal for feasible farming since it expands soil richness and actual design, can be developed in blended/intercropping frameworks, and requires less water since it is a downpour taken care of yield. It is likewise a rich wellspring of vegetable protein for the provincial populace. India has the biggest region and result of heartbeats on the planet [3]. In spite of this, the nation’s heartbeat crop development rates, usefulness, and yield are not better essentially throughout the
long term. Information on current and future horticultural item costs is expected for market data and intercession techniques [4]. Value assumptions are a significant element in ranch business arranging and adventure determination for ranchers. Value determining assists ranchers with getting ready for future homestead exercises, and planning is intensely impacted by expected future costs. Another sort of online platform that can represent a wide range of nonlinear features present in data sets is artificial neural networks (ANNs). An ANN model’s design is mostly determined by information characteristics rather than prior preconceptions about the data creation process [5, 6]. Accordingly, projecting future ranch product costs has turned into a significant piece of value strategy [7–9].

Because of the unique characteristics of agriculture product markets, agricultural pricing modeling differs from nonfarm goods and services price modeling. Crops are distinguished by their seasonality, the derived nature of demand, and price fairly inelastic. Agricultural product price is influenced by the primary service and demand for the organic component of crop production [10, 11]. Forecasting farm commodity prices, on the other hand, is a dangerous undertaking because price estimates might go awry owing to weather, economic conditions, or other unknown reasons, rendering forecasts useless [12]. Suppliers are shifting away from order-to-order manufacturing and toward predicting demand. Meanwhile, consumers’ own concerns, such as end-product demand dissatisfaction, have exacerbated demand uncertainty, resulting in erroneous demand forecasts and stock waste by suppliers [13].

It is a time series model used in statistics and econometrics to track occurrences across time. The model is used to decipher historical data or forecast future information in a sequence. ARIMA can record complicated interactions since it uses standard errors and delayed term information. These models work by regressing a variable against its previous values. ARIMA may be used to show time series; however, the ARIMA technique is costly, and laying down a model is often difficult. The ARIMA technique is that determining the best fit model for an information series necessitates a large number of perceptions.

ARIMA is a time series approach that has been used for a long time. The ARIMA model may represent both previous (or lag) data and unanticipated error components. ARIMA modes are also known as multiple regression groups [14, 15]. ARIMA (also known as the Box–Jenkins model) is a time-series forecasting approach introduced by Box and Jenkins [16]. This time-series forecasting method primarily evaluates past and present data, as well as its conscience and provisional identity features and other attributes, in order to detect and approximate the three-stage model design process, fit the best model, and anticipate data analysis [17]. The MSE value increases as the amount of prediction data in the ARIMA model grows [18]. Depending just on retention time, a human mind can be made dynamic by incorporating long-term or short-term memory within the framework of such a static system. An easy technique to add poor memory into the architecture of a neural network is to use time delay at the neural network’s input layers [19, 20]. As a result, depending on the crop, some flexibility in anticipated price changes of 5–10 percent is allowed. In any case, the precision of value gauges for grains (storable wares) is regularly higher than that of vegetable value figures (transitory wares). Value instability and unusualness make it hard for ranchers (chiefs) to devise viable creation and promoting systems that limit chances. Thus, value determining is basic for settling on informed choices and will assume a key part in organizing ranch item market interest. Subsequently, expecting cereal costs will be useful to makers, shoppers, processors, country improvement organizers, and other market members [21]. Agricultural pricing modeling varies from nonfarm products and services pricing modeling due to the particular characteristics of agriculture product marketplaces. Crops are defined by their seasonality, derived nature of demand, and relatively inelastic pricing. The overall purpose of this project is to demonstrate the usefulness of price forecasting for agricultural prices and to validate it for the year 2022 for rice, which is consumed more in Indian states. The goal of this study was to establish the accuracy of the existing and predicted gap, as well as the demand and supply connection, for the selected crops and markets.

2. Literature Survey

In time series analysis, ARIMA is one of the most useful forecasting approaches for predicting future events. Production forecasting for a lead year is critical to crop planning, agro-based resource usage, and overall crop management in agriculture. A time series approach was utilized by numerous academics to solve agricultural forecasting difficulties. Rice is perhaps the main cereal harvest in India, involving 43.39 million hectares with a yearly yield of 104.32 million tons and a normal efficiency of 2404 kg/ha (2015–16), as indicated by [22]. Stock administration depends intensely on request estimating. In all actuality, helpless interest assessment could bring about enormous costs, showing that the interaction has not gotten to the next level. Accordingly, numerous frameworks put vigorously in stock to limit “stock outs.” An additional complication is that some demands are intermittent, meaning that there are times when there is no demand and times when there are multiple needs. Traditional statistical demand forecasting approaches have numerous challenges when dealing with intermittent demands [23].

As a rule, there is an assortment of strategies for gauging request, including dramatic smoothing. Be that as it may, to utilize these strategies, we require past information. Because there is no information about the history at the outset, we must make an educated guess based on previous circumstances or engineer experience [24]. In this scenario, there is a great deal of uncertainty that will be resolved over time. Demand management is tough for most businesses due to the difficulties of effectively projecting future consumer wants [25]. Helpless determining exactness and request unpredictability are arising as significant hindrances to inventory network adaptability, as per in excess of 74% of respondents in an exploration review [26]. The best firms upgrade store network adaptability, nimbleness, and
responsiveness by improving anticipating exactness across the entire production network. Forecasting must be linked to improvement goals, and historical performance must be used to avoid past errors and achieved [27].

Specialists have done a significant amount of research in the area of anticipating information-related frameworks and offered a variety of procedures, two of which are particularly well-known: time series draws near and counterfeit neural organisation techniques. ANN models are seen to be effective in determining proposals. These models are represented by time spans that require variety. With regards to the capacity to catch nonlinearity in informational collections, the ANN method is respected another option [28]. ANN is utilized in an assortment of fields. In the circumstance of deterministic time-changing interest, [29] utilized a neural organization model to take care of a ton measuring issue as a component of material prerequisites arranging. A review on power request anticipated to look at the ANN and ARIMA approaches and to break down the adequacy of the two techniques [30]. Another investigation was directed by [31], this time simulated blower disappointment time to lay out the more precise anticipating model is employed. The two procedures are utilized to anticipate the framework’s disappointment.

ANN is utilized in an assortment of fields. In the circumstance of deterministic time-changing interest, [32] utilized a neural organization model to tackle a ton estimating issue as a component of material necessities arranging. A review on power request determined to look at the ANN and ARIMA approaches and to dissect the viability of the two techniques [33]. The analyt in [34] directed another investigation, this time using mimicked blower disappointment time to lay out the more exact determining model. The two strategies are utilized to predict the system’s failure. The predicting accuracies of time series analysis are dependent on the characteristics of demand time series [35]. We will get high forecasting accuracies if the transition curves are stable and periodic, but we will not achieve high accuracies if the curves contain extremely irregular patterns.

3. ARIMA Model for Minimizing the Error Gap in Smart Farming

Conventional measurable models, for example, moving normal, remarkable smoothing, and ARIMA, can be utilized to display time series. Since future qualities are compelled to be direct elements of past information, these models are straight [36, 37]. Analysts have been centered on straight models for the beyond a couple of many years since they have demonstrated to be easy to comprehend and apply. Whenever the occasional change request is enormous or the diagnostics neglect to demonstrate that the time series is fixed after the occasional change, the conventional ARIMA approach turns out to be expensive, and as a rule, it is challenging to lay out a model [38, 39]. The static boundaries of the old-style ARIMA model are viewed as the essential requirement in extending high factor occasional interest in such examples. One more restriction of the customary ARIMA approach is that deciding the best fit model for an information series requires countless perceptions.

ARIMA model \((p, d, q)\) is a type of ARIMA model in which

(i) \(p\) indicates the number of autogestion term present in the system
(ii) \(d\) indicates number of difference present
(iii) \(q\) indicates moving average number

In the ARIMA model, the preceding value is model with the following equation:

\[ A_t = \alpha A_{t-1} + \epsilon. \]  

The random shock in the system is represented by \(\epsilon\). \(A_t\) is a linear function of the previous value of \(A\). \(B_t\) is used in a similar way for production forecasts using equation (1). The cumulative influence of specific cycles may have an impact on the behavior of the time series. For example, utilization and supply are constantly altering stock status, but the usual level of stocks is not totally fixed in stone by the cumulative influence of the rapid changes throughout the inventory interval [39, 40]. Albeit momentary stock qualities might change with significant factors concerning this normal worth, the series’ drawn out level will stay consistent. The class of incorporated cycles incorporates not entirely set in stone by the total impact of an activity. In any event, when a series’ conduct is tumultuous, the differences between perceptions may be little or, in any event, swing around a steady incentive for an interaction saw at unmistakable time spans. From the measurable examination side of the time series, the stationarity of the series of contrasts for an incorporated interaction is a basic quality. The model of nonstationary series is incorporated cycles [41].

As far as the ID step, we really want to make a fixed time series, which is a prerequisite for observing the ARIMA model; in this manner, information change is an absolute necessity. A fixed time series’ factual element, for example, the mean and autocorrelation structure, stay unaltered after some time. Prior to fitting an ARIMA model, we regularly need to apply differenting and power change to the information to eliminate the pattern and settle the fluctuation.

Figure 1 shows the flow chart of ARIMA model used for forecasting the demand and production. The time series is put as input collected from different sites. Then, the sequence stability is calculated within the data set. Estimated parameters are used to forecast the system information required by eliminating the noise.

At last, we’ll survey the model’s propriety for indicative purposes. This last advance guarantees that our error speculation is upheld. Future qualities can be assessed utilizing demonstrative measurements and leftover plots. On the off chance that the model is not adequate, we will need to do some more boundary assessments prior to testing the model. We can utilize symptomatic information to foster new models. The error from the model is calculated using the following equation:

\[ \text{Error} = A_t \text{(Demand)} - B_t \text{(Production)}. \]
The ARIMA method assumes that determining the best fit model for an information series necessitates a large number of perceptions. For example, utilization and supply are constantly altering stock status, but the usual level of stocks is not totally fixed in stone by the cumulative influence of the rapid changes throughout the inventory interval. We need to apply differencing and power change to the data before fitting an ARIMA model to remove the pattern and settle the fluctuation. If the model is not appropriate, we will need to conduct some further boundary evaluations before testing it.

4. Simulation Result

The accuracy and peculiarities of demand forecasting of the end product in a food production with demand forecasting are explored in this article, which is based on real data. The effectiveness of demand forecasting in the food production industry is investigated in this study. The data set of food production and demand is taken into consideration. The input has the time period of 50 days and multiple of 50 for easily understanding. Each year in which the maximum demand and production fluctuation are present is taken as input. We start by preprocessing the information to make it fixed, and afterward, we decide elective qualities for $p$ and $q$, which we can change as the model fitting interaction goes.

We start by preprocessing the information to make it fixed, and afterward, we decide elective qualities for $p$ and $q$, which we can change as the model fitting cycle goes. The invalid theory $H_0$ cannot be dismissed since the assessed $p$ esteem is more noteworthy than the limit importance level of 14 0.05. While the invalid theory $H_0$ is right, there is a 92% possibility dismissing it.

The training data are shown in Figure 2. The target means the error difference, and the output means the actual demand error. It shows the data of 50 days and the multiple of 50. So, a total of 150 days’ data is used to train the system for each year from 2016 to 2021. Using this, the MSE and RSME are calculated as shown in Figure 3, whereas Figure 4 shows the mean error of the train data set. It shows that the train data set have the high error (%) which make the system complex.

To enhance the system, all data sets collected from different years are merged to get the best input data which can enhance the reliability of the ARIMA model stated in the system. Figure 5 shows the all data set predictions. In a similar manner, for MSE, RMSE, and error, Figures 6 and 7 respectively, show the valid value.

Now to test the ARIMA model, the data set for 2016–2021 is used. To predict the accurate value, the 10 days and multiple of 1-day gap have been used. The test data make best used if tested for a shorter range. The tested data set is shown in Figure 8. For the smaller values also, it can be seen that the prediction and forecasting are very good.

Figure 9 shows the MSE and RMSE for the test data set. The mean error of the system is 0.01662 which shows that the 1.6% error will be there for the final data prediction. Figure 10 shows the test data set error. In the forecasting method, if the forecasting error is less than 3% means the system is very accurate and better. Here, the system is showing the error of 1.6% which means the system is performed very well with the data set available.

From Figure 11, we can see that the ARIMA model prediction is very good as the error is below 3% overall. The production and demand are shown while the error is calculated simultaneously. To further test the model for different commodity, its demand and production are done. The result of Figure 12 shows that the model gives the better results which means the ARIMA model can be used for forecasting the system.

The production, demand, and error for different commodity like rice, wheat, bazaara, and palm oil are taken into consideration.

5. Discussion

By contrasting the trial and recreated outcomes in 2022, the precision of the built model was evaluated. The consequences of the tests in this examination show that the picked model has a significant degree of precision and the ability to
Figure 2: Training data set.

Figure 3: MSE and RMSE value of train data.

Figure 4: Train data set mean error.

Figure 5: All data set mix prediction.
Figure 6: MSE and RMSE for all data set merge.

Figure 7: All data set mean error.

Figure 8: Final test data set for the prediction.

Figure 9: MSE and RMSE for test data set.
copy dynamic deals conduct. Subsequently, this model can be utilized to study and demonstrate request in the food-producing industry. In this examination work, the ARIMA model is utilized to figure the hole between the interest and creation with the goal that the mistake will get limited, and the ranchers can come by the best outcome. It will assist the ranchers with increasing their living expectations.

The model is approved since the normal interest fluctuates around the fit, as displayed in the chart. We ought to likewise make reference to that the normal interest stayed between the higher and lower limits. We can obviously see that the model picked can be utilized for exhibiting and guaging future interest in the food-creating industry; yet, we ought to incessantly revive the recorded data with new data to chip away at the new model and gauges. This food organization’s creation choice was helped by the figures delivered through demonstrating. In actuality, utilizing the model, we had the option to predict request and make exact projections. When we have an interest forecast, it will be a lot simpler and more clear to design the suitable creation and in this way stay away from huge expense misfortunes. This will help us in settling on the most ideal choices about the accessibility of unrefined substances and the assurance of everyday yield.

6. Conclusions

Forecasting production and consumption is a key capacity of the inventory network. Its compatibility with other business constraints makes it one of the most important coordinating processes a company can send into the future. ARIMA is the model that we choose to limit the three previous measurements (1, 0, 1). The obtained findings suggest that this model may be utilized to display and forecast future interest in food creation; these results will supply chiefs of this gathering with reliable principles in basically deciding. In the future, we will develop a variety of models by combining emotional and quantitative strategies to build powerful metrics that contribute to the guess precision. In order to ensure the ANN’s fortitude in the food association, it is planned to investigate neural organization approach for controlling contrast it shows with respect to ARIMA’s outcome. In addition, we will mostly use an ARIMA-twisting reason work (RBF) combination to attain a similar goal: high accuracy.

Data Availability

The data will be made available on request from the corresponding author.

Conflicts of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

References

[1] R. Khan, N. Tyagi, and N. Chauhan, “Safety of food and food warehouse using Vibhishan,” Journal of Food Quality, vol. 2021, Article ID 1328332, 12 pages, 2021.
[2] U. Iqbal, “Dynamic access control in wireless sensor networks,” in Proceedings of the 2017 4th International Conference on Advanced Computing and Communication Systems (ICACCS), IEEE, Coimbatore, India, January 2017.
[3] M. A. Badmus and O. S. Ariyo, “Forecasting cultivated areas and production of maize in Nigerian using ARIMA model,” Asian Journal of Agricultural Sciences, vol. 3, no. 3, pp. 171-176, 2011.

[4] M. A. Awal and M. A. B. Siddique, “Rice production in Bangladesh employing by ARIMA model,” Bangladesh Journal of Agricultural Sciences, vol. 36, no. 1, pp. 51-62, 2011.

[5] J. Bhola, S. Soni, and J. Kakarala, “A scalable and energy-efficient MAC protocol for sensor and actor networks,” International Journal of Communication Systems, vol. 32, no. 13, pp. 1-16, 2019.

[6] V. Jagota, M. Luthra, J. Bhola, A. Sharma, and M. Shabaz, “A secure energy-aware game theory (SEGaT) mechanism for coordination in WSANs,” International Journal of Swarm Intelligence Research, vol. 13, no. 2, pp. 1-16, 2012.

[7] W. Xin and W. Can, “Empirical study on agricultural products price forecasting based on internet-based timely price information,” International Journal of Advanced Science and Technology, vol. 87, pp. 31-36, 2016.

[8] P. C. Padhan,(105,863),(124,882) “Application of ARIMA model for forecasting agricultural productivity in India,” Journal of Agriculture and Social Sciences, vol. 8, pp. 50-56, 2012.

[9] B. Gurung, S. Panwar, K. N. Singh, R. Banerjee, S. R. Gurung, and A. A. Rathore, “Wheat yield forecasting using detrended yield over a sub-humid climatic environment in five districts of Uttar Pradesh, India,” Indian Journal of Agricultural Sciences, vol. 87, no. 1, pp. 87-91, 2017.

[10] S. Sanober, I. Alam, S. Pande et al., “An enhanced secure deep learning algorithm for fraud detection in wireless communication,” Wireless Communications and Mobile Computing, vol. 2021, Article ID 6079582, 14 pages, 2021.

[11] R. Khan, S. Kumar, A. K. Srivastava et al., “Machine learning and IoT-based waste management model,” Computational Intelligence and Neuroscience, vol. 2021, Article ID 5942574, 11 pages, 2021.

[12] K. Prabhakarn and C. Sivapragasam, “Forecasting areas and production of rice,” International Journal of Farm Sciences, vol. 4, no. 1, pp. 99-106, 2014.

[13] C.-C. Wang, C.-H. Chien, and A. J. C. Trappey, “On the application of ARIMA and LSTM to predict order demand based on short lead time and on-time delivery requirements,” Processes, vol. 9, no. 7, p. 1157, 2021.

[14] L. C. J. Steijvers, S. Brinkhues, C. J. P. A. Hoebe et al., “Social networks and infectious diseases prevention behavior: a cross-sectional study in people aged 40 years and older,” PLoS One, vol. 16, no. 5, Article ID e0251862, 2021.

[15] G. Murugesan, T. I. Ahmed, M. Shabaz et al., “Assessment of mental workload by visual motor activity among control group and patient suffering from depressive disorder,” Computational Intelligence and Neuroscience, vol. 2022, Article ID 8555489, 10 pages, 2022.

[16] G. E. P. Box and G. M. Jenkins, Time Series Analysis: Forecasting and Control, Holden Day, San Francisco, CA, USA, 1976.

[17] S. Siami-Namini, N. Tavakoli, and A. S. Namin, “A comparison of ARIMA and LSTM in forecasting time series,” in Proceedings of the 2018 17th IEEE International Conference on Machine Learning and Applications (ICMLA), Orlando, FL, USA, December 2018.

[18] A. G. Salman and B. Kanigor, “Visibility forecasting using autoregressive integrated moving average (ARIMA) models,” Procedia Computer Science, vol. 179, pp. 252-259, 2021.

[19] L. Wang, P. Kumar, M. E. Makhatha, and V. Jagota, “Numerical simulation of air distribution for monitoring the central air conditioning in large atrium,” International Journal of System Assurance Engineering and Management, vol. 13, 2021.

[20] G. S. Sriaam, “Green cloud computing: an approach towards sustainability,” International Research Journal of Modernization in Engineering Technology and Science, vol. 4, no. 1, pp. 1263-1268, 2022.

[21] S. P. Sahoo and R. Singh, “Trend and seasonality in prices and arrivals of Bengal Gram,” Indian Journal of Economics and Development, vol. 5, no. 7, pp. 1-5, 2017.

[22] R. Arivarasi and M. Ganesan, “Time series analysis of vegetable production and forecasting using ARIMA model,” Asian Journal of Science and Technology, vol. 6, no. 10, pp. 1844-1848, 2015.

[23] M. As’ssd, “Finding the best ARIMA model to forecast daily Peak electricity demand,” in Proceedings of the Fifth Annual Applied Statistics Education and Research Collaboration, Wollongong, Australia, 2012.

[24] D. N. Gujarati, Basic Econometrics, Mc Graw-Hill, New York, NY, USA, 2007.

[25] M. Yang, P. Kumar, J. Bhola, and M. Shabaz, “Development of image recognition software based on artificial intelligence algorithm for the efficient sorting of apple fruit,” International Journal of System Assurance Engineering and Management, vol. 13, 2021.

[26] D. C. Montgomery, Forecasting and Time Series Analysis, McGraw-Hill, New York, NY, USA, 2nd edition, 1990.

[27] T. K. Lohani, M. T. Ayana, A. K. Mohammed, M. Shabaz, G. Dhiman, and V. Jagota, “A comprehensive approach of hydrological issues related to ground water using GIS in the Hindu Holy city of Gaya, India,” World Journal of Engineering, vol. 29, p. 6, 2021.

[28] Y. Zhang, X. Kou, Z. Song, Y. Fan, M. Usman, and V. Jagota, “Research on logistics management layout optimization and real-time application based on nonlinear programming,” Nonlinear Engineering, vol. 10, no. 1, pp. 526-534, 2021.

[29] R. Nochai and T. Nochai, “ARIMA model for forecasting oil palm price,” in Proceedings of the 2nd IMT-GT Regional Conference on Mathematics, Statistic and Applications, University Sains Malaysia, George, Malaysia, 2006.

[30] R. S. Prindycz and D. L. Rubinfeld, Economic Models and Economic Forecasts, McGraw-Hill, New York, NY, USA, 3rd edition, 1981.

[31] M. Shukla and S. Jharkharia, “Applicability of ARIMA models in wholesale vegetable market: an investigation,” in Proceedings of the 2011 International Conference on Industrial Engineering and Operations Management, Kuala Lumpur, Malaysia, January 2011.

[32] R. Wankhade, S. Mahalle, S. Gajbhiye, and V. M. Bodade, “Use of the ARIMA model for forecasting pigeon pea production in India,” International Review of Business and Finance, vol. 2, pp. 97-102, 2010.

[33] R. S. Prindycz and D. L. Rubinfeld, Econometric Models and Economic Forecasts, McGraw-Hill, New York, NY, USA, 2000.

[34] V. Jadhav, B. V. Chinappa Reddy, S. Sakamma, and C. P. Gracy, “Impact assessment of price forecasting for farmers cultivating coconut processing to copra in Karantaka,” International Journal of Agricultural and Statistical Sciences, vol. 9, no. 2, pp. 669-678, 2013.

[35] V. Jadhav, B. V. Chinappa Reddy, G. M. Gaddi, and V. R. Kiresur, “Exploration of different functional forms of growth models: a censorious analysis with reference to horticultural sector in Karanataka,” International Journal of Tropical Agricultural, vol. 34, no. 4, pp. 1107-1116, 2016.
[36] R. Yin and R. S. Min, “Forecasting short-term timber prices with Univariate ARIMA model,” *Journal of the American Statistical Association*, vol. 25, no. 1, pp. 154–158, 1999.

[37] J. Fattah, L. Ezzine, Z. Aman, H. El Moussami, and A. Lachhab, “Forecasting of demand using ARIMA model,” *International Journal of Engineering Business Management*, vol. 10, Article ID 1847979018808673, 2018.

[38] M. Ohyver and H. Pudjihastuti, “Arima model for forecasting the price of medium quality rice to anticipate price fluctuations,” *Procedia Computer Science*, vol. 135, pp. 707–711, 2018.

[39] Y. Starychenko, A. Skrypnyk, V. Babenko, N. Klymenko, and K. Tuzhyk, “Food security indices in Ukraine: forecast methods and trends,” *Estudios de Economía Aplicada*, vol. 38, no. 4, p. 26, 2020.

[40] S. Ghosh, “Forecasting of demand using ARIMA model,” *American Journal of Applied Mathematics and Computing*, vol. 1, no. 2, pp. 11–18, 2020.

[41] L. Menculini, A. Marini, M. Proietti et al., “Comparing prophet and deep learning to ARIMA in forecasting wholesale food prices,” *Forecasting*, vol. 3, no. 3, pp. 644–662, 2021.