



Economics of Sugar Co-Operatives in Sangli District (Mah)

KEYWORDS

Economics Sugar Industry Co-operatives performance, Recovery, Crushing Capacity.

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ABSTRACT *India stands next to Brazil in area and production of sugarcane. The sugar industry is the second largest agro-based industry in India. Sugar and sugarcane economy plays a significant role in political and economic pitch of maharashtra. The sugar co-operatives in maharashtra has become a catalyst for all round development in rural area. Fourteen sugar factory are located in sangli district. One out of these fourteen are in private sector other are run on the co-operative basis. There has been rapid growth of sugar industry in sangli district particularly in co-operative sector.*

Introduction:

The Sugar industry is the second largest agro-based industry in India. It is located in rural areas. About 50 million sugarcane farmers their dependents and average mass of agricultural labourer are involved in sugarcane cultivation harvesting and ancillary activities constituting 7.5 percent of the rural population. The sugar industry in India has been a focal point for social economic development in the rural areas as it mobilizes rural resources generating employment and higher income, transport and communication

The first co-operative sugar factory set up in India was the Pravara Co-operative Sugar Factory at Ahmednagar (Maharashtra) in 1948. The Indian sugar industry is the second largest among the agro based industries after textile industry. The sugar industry has played a major role in integrated rural development. Sugar industry has given the pride of place to India, as the country that is the largest producer of sugar in the world. Sugar and sugar cane economy plays a significant role in political and economic pitch of Maharashtra. The "Sugar Barrens" mostly politicians have a political hold in rural politics through co-operative network subsequently co-operative economy is vertically and horizontally linked to other input sectors and service sectors like credit, irrigation purchase and sale societies agricultural produce marketing, dairy and other processing activities. There is an effective tie up among the cane growers, co-operative banks and sugar factories.

Objectives of the study :

- 1) To study the performance co-operative sugar industry in Sangli District.
- 2) To access the problems of co-operative sugar industry in sangli District.
- 3) To find out the remedies to eliminate the present problems of the sugar co-operatives.

Co-operative Sugar Industry in Maharashtra :

The co-operative sugar industry in maharashtra occupies the place of pride in the national Indian economy. The sugar co-operatives in mharashtra have enhanced the socio-economic development of their service areas The First Co-operative Sugar Factory set up in maharashtra was the pravara co-operative sugar factory at Ahmednagar District. As a chief minister of the maharashtra Yashvantrao Chavan had particular activated the concept through sugar co-operatives since the creation of maharashtra state in 1960,

the sugar industry's linkage with agriculture and services sector had been corroborated to strengthen the village economy. Co-operative were the tool of politics of development during the initial stage in the state. Agro-industrial co-operative common wealth was the base of pragmatism.

The co-operative sugar factories in maharashtra are running in loss due to their improper location and lack of management tools and techniques required to be followed and local political economy practices. The prominent co-operative sugar barons are becoming private sector players in the sector. The highest flying cause of their sick sickness is the high cost on transport of sugarcane ranging from the distance between 26 to 100km and payment of interest on loans. Lack of human resource management is the crucial cause of sickness more than 39 co-operative sugar factories are defunct. They have to be either converted into private enterprises or rented to the private or co-operative players in the area. The private players in the industry are increasing more than 103 private units have been sanctioned by the state Govt. whereas only 15 co-operative sugar units are proposed. This shows the nervousness of the co-operative players in the industry. The private players are very much interested so long as they obtain profit from the industry. But the co-operative tires to operate even when they are in break even point. This crisis is only because of the withdrawal of the state support to the sugar co-operatives. The State Govt. is one of the state holders of the sugar co-operatives.

Performance of Co-operative Sugar Factories in Maharashtra.

The sugar co-operative in maharashtra has become a catalyst for all round development in rural area. Many co-operative sugar factories have made greater contribution to the economic and social development of their area according to the regional requirement. Some have been specially innovation in this respect. So the study of performance of co-operative sugar factories important. This is shown in table no. 1

Table No. 1 Performance of Co-operative Sugar Factories in Maharashtra.

Particulars	2006	2012	% Change	CGR
Registered Factories (No)	202	202	-	-
Factories in productions (No)	163	119	- 27	- 6.09

Members (00)	33000	24210	-	-
Share capital of state govt.(Rs. in Crore)	912	1050	15.13	2.85
Average Capacity (Tones crushed per day, Lakh MT)	4.49	3.35	- 25.38	- 5.68
Sugarcane crushed (Lakh MT) Average Sugarcan Price (Rs.Ton)	445.71	591.43	32.7	5.82
a) Purchase	802.50	1700	111.8	16.20
b) Paid by Factories	1200	2025	68.75	11.03
Sugar produced (Lakh MT)	51.98	69.42	33.55	5.95
Average recovery (Percent)	11.68	11.74	0.51	0.10
Molasses (Lakh MT) No.of factories having	17.24	23.65	37.18	6.52
a) Distillery Plants	58	68	17.24	3.23
b) co-generation plants	19	37	94.73	14.25
Electricity generated (Million units)	257.83	611.14	137.13	18.84
Factories in loss (No.)	116	89	- 23.27	- 5.16

Table No.1 shows, there were no change in number of sugar factories from 2000 to 2012 and there is decreases in number of factories in production form 163 to 119 during same period and CGR was -6.09. Increase in member to 633.6% and CGR was 48.96 during 2006 to 2011 and share capital increase to 15.13% during the same period. Increase in price of sugar cane to 68.75 and CGR was 11.03 in 2006 to 2012 and production of sugar increased to 33.55 (CGR 5.95) during the same period. There is notable point that decrease in number of factories in loss from 116 to 89 during 2006 to 2012 and CGR was -5.16.

Performance of Co-operative Sugar factories in Sangli District –

Fourteen Sugar Factories are located in sangli district. One out of these fourteen are in private sector, others are run on the co-operative basis. There has been rapid growth of the sugar industry in sangli district particularly in the co-operative sector. Performance of co-operative sugar factories in sangli district shown in table no.2

Table No. 2 Performance of Co-operative Sugar factories in Sangli District 2012-13

Sr. No.	Name of Factories.	Place	No. of workers		Cursing capacity	Sugar Produces (Quante)
			Perma.	Temp		
1	Ninaidevi co-op sugar Factory.	Shirala	-	-	1750	-
2	Vishwas co-op sugar Factory.	Chikhali	324	384	1250	507150
3	Kisan Ahir co-op sugar Factory.	Walwa	334	196	2500	915000
4	Rajarambapu Patil co-op sugar Factory	Islampur	849	627	6500	1745527
5	Karanti co-op sugar Factory.	Kundal	130	545	2500	662690
6	Sarvodaya co-op sugar Factory.	Karandwadi	131	273	2500	514412
7	Yashvant co-op sugar Factory.	Khanapur	300	323	1250	79480
8	Managanga co-op sugar Factory.	Atpadi	428	149	1250	296700
9	Tasgaon co-op sugar Factory.	Tasgaon	227	451	2750	404200
10	Vasantadada co-op sugar Factory.	Sangli	695	501	7500	638510

11	Mohanrao Shide co-op sugar Factory.	Arag	203	515	2500	541800
12	Mahankali co-op sugar Factory.	K. Mahankal	240	540	1250	356000
13	Daphale co-op sugar Factory.	Jath	00	00	2500	-
14	Sonahira co-op sugar Factory.	Wangi	210	618	2500	609190

Sources : Statistical Glance of Sangli District 2012-13.

Table no. 2 shows that there is fourteen sugar co-operative factories in sangli district. Two sugar factories out fourteen i.e. Ninaidevi Co-operative Sugar Factory, Shirala and Daphale Co-operative Sugar Factory Jath are not functioning.

There is highest cursing capacity (6500) tons of Rajarambapu Co-operative Sugar Factory in Sangli District and the number of employees also highest in this factory. The production of sugar in 2012-13 was 1745527 quintal of Rajarambapu Patil Co-operative Sugar factory and this is highest compared to the other sugar factories in sangli district.

Table No. 3 Calculated Values of FRP for the Sugar Season 2013-14 in Sangli District.

Sr. No.	Name of Sugar Factory	Recovery %	For the FRP year 2012-13 (Rs.Per Quintal)	Estimated FRP for the Sugarcane to be paid during the see all 2013-14	Estimated average sugar price for the year 2013-14 (Rs.per quintal)	Estimated sugarcane price for the year 213-14
1	Mahankali, Kavathe Mahankal	11.6	207.59	268.72	Rs. 3200	278.4
2	Vishwas, Chikhali	13.1	234.44	303.52	Rs. 3200	314.40
3	Rajarambapu Patil, Islampur	12.29	218.33	226.22	Rs. 3200	292.32
4	Hutatma, Walwa	13.3	238.02	228.82	Rs. 3200	319.20
5	Sonhira, Wangi	11.72	209.38	225.15	Rs. 3200	281.28
6	Kranti, Kundal	12.27	220.12	226.42	Rs. 3200	294.48
7	Sarvodaya, Karandwadi	12.83	229.07	227.72	Rs. 3200	307.92
8	Managanga, Atpadi	11.37	204.01	224.34	Rs. 3200	272.88

Source : Competitiveness of sugar cooperatives, Dr. V. B. Jugale & Prin. Dr. Y. V.Jugale

Table no. 3 shows that, the highest recovery of Hutatma Sugar Factory walwa (13.3%) and second highest Vishwas Sugar Factory Chikhali in Sangli district. Recovery of Mahakali Sugar factory, Kavathe Mahankal was lowest (11.6%) compared to other sugar factories in sangli district. Vishwas sugar factory chikhali paid the highest price of sugar

cane (314.40) and Manganga Sugar Factory paid lowest price (272.88) compared to other factories in sangli district.

Problems of Co-operative Sugar Industry.

- 1) Co-operative sugar industries has been eroded by corruption.
- 2) Sugar co-operatives are facing various problems due to lack of professional management.
- 3) Co-operative sugar industries are facing financial problems as lack of finance by financial institutions.
- 4) The production problem is one of the problem in co-operative sugar industries due to less capacity utilization.
- 5) Some sugar factories suffer form substantial under utilization of capacity.
- 6) Sugar co-operative has been faced with frequent labour problems
- 7) Machinery and other equipments in sugar co-operatives has grown obsolescent on account of this reason while their cost of production are high.

Conclusions :

The co-operative sugar industry should become rational. It should be held responsible for protecting the interests of the cane grower members. The farmers need training in increasing the sugar recovery. Co-operative entrepreneurship is the best organizational system for the industry. However, the understanding of the farmers against the co-operative sugar industry should be removed or the minds of the cane growers. There should be integrity in, the farm to factory economic activities. Depolitisaion of the co-operative sector is urgently be introduced. Locational and size factors of the industrial units should consider the technical efficiencies of the sugar industry along with natural capital and geo-climates conditions in the region.

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