

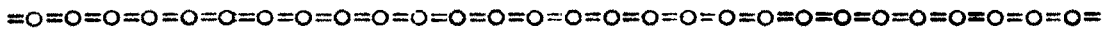
CHAPTER - VI
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CONCLUSIONS

AND

REMEDIAL MEASURES



This chapter deals with the conclusion and recommendations suggested for the efficient functioning of the Terna Shetkari Sahakari Sakhar Karkhana Ltd., Dhoki, Dist. Osmanabad.

Employees, officers, labourers and farmer members of the Terna sugar factory were interviewed, discussed, situation observed, conclusions and remedial measures were drawn as follows :-

Planning :

It was observed that though there is planning and development department, the factory does not give more importance to planning process. Some officers told that they prepare tentative plan informally based on their own judgement and experience and not formal one. It is a serious problem. Plans should be developed for each and every activity in the organisation.

It may be suggested that the production planning should be done. Because healthy growth of an enterprise, efficient and effective management mainly depends on good planning. The process of planning centres mainly around economic utilisation of material, men and machines through efficient method. The planning is not only a plan of action but also provides norms or standards for control and criteria for judgement.

It was also found that the planners are not qualified and they have no experience in systematic planning process.

So, the qualified and experienced executives having foresight should be appointed.

Man-power planning :

In the survey it is observed that there is very poor man power planning in this organisation. Studies have indicated that the excess staff is appointed in some department and less staff in some department. Presently, the factory has 975 employees. The factory also provides employment to some marginal cultivators and agricultural labourers during the off season period.

In addition to the above factory require a large number of seasonal labourer for harvesting and transporting of sugar-cane from the field to the factory.

For the present capacity, factory has to recruit about 3,000 to 4,000 labourers and bullock carts from the adjoining area.

It may be suggested that the welfare of the labourers is of great importance. All the labourers, before they are sent to different harvesting centres are given anti-malarial treatment. Free medical aid during the season is given to all the labourers.

In these difficult days when the prices of foodgrains are soaring, arrangements are to be made to supply foodgrains at concessional rates.

Materials to build hut should be given free to every family. Free fuel is to be supplied by the farmers to all the labourers working in their respective zones. The members should be allowed to collect cane tops from their cane fields only after the cartmen have taken enough tops for their bullocks and other cattle.

Fair price shops at the factory supplying all the commodities to the labourers be provided. But this is not enough. Therefore, required household material should be supplied by the factory. After the season is over all the labourers and their family members should get free clothing. All these facilities should be given over and above the wages. In addition to this highest cane transporting bullock cart owners should be rewarded properly.

The above mentioned facilities are affordable to the organisation to provide, as a matter of fact these facilities were being provided in the past few years, at present some of these facilities has been stopped, so it would be recommended that they should continue the previous practices.

Similarly, the organisation should think of developing effective plans for over-coming some of the problems cited in Part-D of findings and analysis chapter, such as plans for increase in production, increase in recovery and increasing in crushing days.

Maintenance of Plant and Machinery :

In the survey, it has also been observed in sugar manufacturing department that the mechanical staff is not taking proper care of plant and equipments. It is heard that due to the negligence of technical staff, the stoppage hours of factory are increasing.

In this connection, the Board of Directors should watch the careless employees and they should be punished. The maintenance Engineer and the Chief Engineer must be alert. They should find out the faults as they occur. The weekly and monthly maintenance should be done under the strict supervision of concerned engineers and technicians. All the pipe lines, particularly the molasses pipe lines should be properly checked. The proper maintenance of plant increases the life of the factory and minimises the 'break downs'.

To avoid the production stoppage measures should be taken to identify the wornout parts and make available to replace them at the appropriate time. When the plant is in operation supervision should be done to see that the plant is running efficiently without creating any bottlenecks any where.

Cane Maturity Survey :

Cane maturity survey is necessary for maximum sugar recovery. It is observed that the factory does not take the

maturity survey from the beginning to the closing date of crushing season of factory.

Therefore, it is suggested that the regular maturity survey should be conducted by the sugar factory.

Irrigation :

Irrigation is a key to sugarcane production. Optimum use of fertilizers and other inputs cannot be made unless the grower has sufficient water to irrigate his crop. Farmers under factory area depend on wells, rivers, rains and canals for water supply. More than 95 percent farmers cultivate their land with the help of well water. Other means of irrigation are not sufficient. The factory lands boring machines and blasting machines at concessional rate to the producer members. In the year 1985-86, the factory undertaken 32 borewells. The total cost of 32 bores was Rs.4,22,801-40 Out of this factory incurred Rs.1,45,807.62 and remaining cost was borne by the concerned farmers. In addition to this the factory has provided financial assistance of Rs.1000/- to 23 producer members who have taken bores on their own cost.

Taking into consideration the above facts it would be recommended that the factory should undertake the lift irrigation programme and tube-well scheme. Lift irrigation from 'Manjara Project' 30 kilometers away from factory should be undertaken. Factory should take initiative part in promoting

cannel and percolation tanks. Economic use of water should be done. Drip irrigation system should be provided. For that purpose, the factory should provide necessary equipments to farmers at concessional rates or on rent basis. This will solve the problem of water supply.

Cane development schemes :

Factory supplies improved quality seeds to its producer members. Many farmers do not know the proper way of sowing the seeds. Most of them do not know high yielding varieties of sugarcane. Factory has arranged tours and seminars for giving information of high quality seeds like CO 740, CO 6215, CO 7415, CO 7219, COSI 671. Sugar factory has also undertaken the seed nursery scheme and single eye-bud scheme in its own farm. Some farmers have taken the advantage of these schemes. The factory encourages the farmers to take nursery plots on their own field. For this purpose, the factory provided one metric ton seed at 50% concessional rate to interested members in 1985-86. In the same year, the factory provided free of cost new variety of seed i.e. KOSI 671 having high recovery and less maturity period. The expences of pesticides and fertilizers were also borne by the factory. Subsidy for plantation of Adsali and Suru sugarcane was provided by the factory. Cane crop competition scheme is managed every year by the factory.

In this regard, it is suggested that the factory should sow improved quality seeds on its own farm on experimental basis. The propagation of improved quality seeds like CO 7219, COSI 671, C 740, CO 6215, CO 7415 having high recovery should be made. Single eye-bud system must be made popular. The factory should supply all these seeds at cheapest price. The farmers should be given information of all the quality seeds and improved methods of cultivation.

Previously, this sugar factory played a passive role in the development of sugarcane. It was also viewed that the cane development is a function of the State Government agencies or the cultivators. Therefore, the sugar factory has not created cane development department. But considering the need of time, the factory recently established the Research and Cane Development Centre. The existing Research and Cane Development Centre is manned by the persons of low competence and is ill-staffed. Staff is usually engaged on work relating to the supply of cane to sugar factory and hardly attends to cane development. Hence, it is suggested that the qualified, experienced, sufficient and sincere staff should be appointed and assigned for the work of research and cane development.

Technical guidance :

According to the questionnaire prepared for officers on planning and cross examine with farmers, it is found that

the technical assistance about soil testing, quality seeds, fertilizers and improved methods of cultivation are inadequate.

Therefore, it is recommended that the ill-literate cane growers should be given proper guidance about soil, methods of cultivation, agricultural equipments, doses of fertilizers at different seasons, use of pesticides. More research work is needed for the scientific application of water to crops.

Loan facility :

This sugar factory provides loan facility to producer members through the Agricultural State Bank of Hyderabad, Branch Ternanagar. Loans provided through this bank are short term (crop loans), medium term loans and long term loans for making agricultural developments. Seed loans for the purchase of engines, electric motors, pipes etc. is given to the farmers. Factory gives guarantee to bank for such loans.

District Central Co-operative Bank Ltd,, Osmanabad and its branches also provides loans to the farmers. Factory gives guarantee to bank for the repayment of loan taken by the producer members.

However, it is found that the farmers are facing various types of difficulties in securing loans from banks. From the informal discussion with farmers we conclude that the banks are offering the loans to rich farmers. Loan applications are not

sanctioned quickly at the time of urgency of farmers. Bank officers demand a lot of documents. Collecting of documents requires more time. It reduces the interest of farmers and creates nervousness among the farmers.

It may be recommended that the banks should offer the loans as early as possible and also loan sanctioning authority should be given proper training regarding the public relations.

Construction of Roads in Sugar factory areas :

In order to get the highest recovery, it is necessary condition that the time lapse from the harvested cane in the field to the sugar in the bag should be minimum possible. The first step is to get the cane quickly transported to the factory and feed into the cane carrier for crushing. Cane is very perishable raw material, as it rapidly deteriorates with the passage of time; converting sucrose into invert sugars which are non-crystallisable and pass out in the final molasses. Good roads in the factory area are a great pressing necessity and more attention to this aspect is urgently called for.

In this regard, factory has constructed many approach roads in its area. Approach roads in its area are attached to main tar roads. Hence, quick transporting has become possible.

It can be suggested that due to heavy rains in the year 1988, majority of the roads are spoiled, even tar roads are damaged. Therefore, in this year, factory should keep aside

more budget for the construction and repairing of the roads. Necessary bridges should be constructed. Some approach roads should be converted into tar roads. Good roads in sugar factory areas is a great asset of the factory. Maintenance of the roads should be made regularly.

Transporting :

Factory has provided transport facilities like trucks, tractors and bullock carts for its producer members. It helps the farmers for transporting sugarcane easily to the factory.

Of all the means of transportation, truck transport is the best. Factory should give contract of cane transporting to its producer members having their own trucks instead of outsiders. This will increase the income of members.

Other organisations :

Terna sugar factory is playing a major role in promoting other organisations such as - Co-operative consumer stores, Employee's Credit Co-operative Society, Flour Mill, a garden containing various flowers and medicine trees, a petrol pump etc.

In this connection, it is suggested that the services of all these organisations should be improved. A servicing centre should be established at petrol pump. This sugar factory also think for setting-up by-product units. The establishment of poultry farming, diary farming, cattle food units etc. will create more employment in rural areas.

Staffing and Training :

It has been observed that the staff is excess and also not well trained and experienced. It is generally felt that uneducated labour is a handicap to this factory. Factory is facing the problem of technical staff.

Taking into consideration the above facts it would be recommended that this factory should appoint well qualified, and experienced personnel.

The employees should be given adequate on the job training. Factory should depute its employees for training. Training opportunity should be given to all employees impartially. This will increase the efficiency and production of the factory. The organisation has to identify the areas of training required and then the personnel requiring any such training should be provided with.

Communication :

It was found that factory communication system was not satisfactory. We found some barriers of communication, such as ambiguity, complexities in message, negligence, poor supervision, language barrier etc.

It is recommended that the message conveyed should be clear, understandable, simple and meaningful. Factory has to communicate with members, employees, beneficiaries etc.

The following suggestions in this regard should be considered :

Communication with Members :

The ordinary shareholders are the owners of sugar factory. Members must get information about the principles, objectives, formation terms and conditions to become a member, rights duties and liabilities of members etc. These members have to participate in the general body meeting to review and approve past performance, to set future plans and policies and to decide various other issues including election of board of directors, executive committees etc. for the successful operation of the institution. For all these purposes, they require information of organisational performance which is to be done with due care.

Communication with Employees :

Employees are in constant need of information instructions, opinions and counselling at all stages of the work.

Employees should know about staff regulation, business rules, processes and procedure of work, division of power and functions, compensation and availability of various facilities. Communication is useful for the employees to ascertain their positions in the organisation. They know financial and non-financial benefits, safety and security of job, physical facilities available to do work, discipline, as well as rules and regulations of the organisation. Communication is essential to bring congenial integration between the employees and the organisation.

Communication with Beneficiaries :

The factory has to contact occasionally with the beneficiaries. The important information should be transmitted to the people for enabling them to avail the services at the right time, for right purpose in right quality and with right terms and conditions. Lack of communication with society creates misunderstandings and bad reputation of organisation. To avoid such misunderstandings effective means of communication be adopted.

Salaries and Wages :

It is observed that the employees and labourers are not satisfied with the salaries and wages paid by the factory.

So, it is suggested that for the efficient and good work and to create a congenial working atmosphere, the employees and labourers should be given better salaries and wages.

Proper prices for sugarcane :

Cane growers are not satisfied with the price paid by the factory. Many deductions are made through the cane bills such as non-refundable deposits, Chief Minister's Fund, Development fund, Purchase tax, Education tax etc. Such deductions becomes a heavy burden on the cane growers.

Therefore, it is suggested that as far as possible the deductions should be less and factory should pay reasonable price to cane growers.

In conclusion it would be further recommended based on the survey findings that though the organisation is undertaking various activities for the development of its area and people the impact of such activities is negligible. For, instance, the organisation conducts seminars, tours and exhibitions in reality the survey indicates the beneficiaries are very few and its impact is also less. So the organisation should see that these activities and its benefits reach to the grass root level i.e. to each and every member.