

C H A P T E R - I

INTRODUCTION

CHAPTER - I

1.0 INTRODUCTION :

The sugar industry constitutes an important part among the agro - based industries. Its importance in the economy can be judged by the number of people depending upon it for their livelihood. As many as 3.5 lakh workers depend upon this industries in India. They include skilled, unskilled, seasonal and permanent workers.

Maharashtra is the leading state in the area under sugar cane cultivation and sugar production. The state also has the largest number of co - operative sugar factories. The total production of sugar cane as on 1992 - 93 in Maharashtra state was 3853 thousand tonnes. The efficient production of sugar cane in the state is shown by the yield per hectare which is 76.4 tonnes. The output per hectare of the crop is compared to other states where the yield per hectare is below 60 tonnes. And the per hectare yield in Maharashtra is also well above the national average which is 63.8 tonnes per hectare.

1.1 SUGAR INDUSTRY PRIOR TO INDEPENDENCE :

In 1931 - 32, there were about 31 sugar factories producing about 1.6 lakh tonnes of sugar. During that period India had to import 6 lakh tonnes from other countries. The industry was granted tariff protection

in 1932. As a result the sugar production rose to 10 lakh tonnes by 1937, the number of operating factories increased to 137 and employment exceeded 75,000 workers. From only a few factories in the early thirties, the number of sugar factories increased to 134 by 1934 and the sugar and the sugar production shot up to 12.42 lakh tonnes by 1939 - 40, when it was only 2,95,000 tonnes a few year back. The second world war created unsettled condition and the production fell to 7.9 lakh tonnes during 1941 - 42.

1.2 PERFORMANCE AFTER INDEPENDENCE :

In 1951 - 52 sugar production reached a figure of 15.2 lakh tonnes. In 1951, the Government provided incentives by raising the minimum prices of cane and maximum prices of sugar. The result was a rise in output and sugar rationing came to an end. This was followed by reduction in cane prices to discourage cane production. The contradictory, policies, pursued by the Government resulted in the shortage of sugar. The policy of decontrol stimulated consumption and the policy of reducing cane process resulted in lower production. Therefore the Government again adopted the policy of protection and raised minimum cane prices in 1954. As a result, sugar output rose to 15 lakh tonnes in 1954 - 55 and its imports became unnecessary.

Because of the policy of Government that of control, decontrol upto 1957-58, the sugar industry in

India faced instability. Both the production and consumption were growing until they stood at 20 lakh tonnes each. In the year 1957-58 control was withdrawn and production decreased to 19.5 lakh tonnes in the year 1958 - 59. The Government responded by giving incentives for higher production and the output progressively increased to 30 lakh tonnes in 1960 - 61. During the decade of 1960 to 1970 there was a tremendous increase in the production of sugar. For example, sugar production averaged 30 lakh tonnes during 1970 - 71. India achieved production level of 91.10 lakh tonnes and 98 lakh tonnes in the years 1987 - 88 and 1993 - 94 respectively. The total Sugarcane production in India was 2308 lakh tonnes in the year 1992 - 93. The record sugarcane production of 2539.95 lakh tonnes was achieved in India in the year 1991 - 92. This shows that the sugarcane production came down in the year 1992 - 93.

Though India is leading in the manufacture of sugar, the cost of manufacturing is high as compared to the cost of production in country like Brazil etc. Due to the high cost of sugar production in India, the sugar industry can't cannot compete efficiently with other countries in the sale of sugar in the world market. In the manufacture of sugar the cost of manufacturing is high due to the following reasons :

1> High cost of sugarcane production

2> High Taxes

3> An increase in wages and bonus

4> Increase in cost of packing material

5> Depreciation, insurance, research and development

6> Higher electricity, fuel storage charges etc.

1.3 CANE HARVESTING WORKERS IN MAHARASHTRA :

The Sugar industry is one of the important industries in Maharashtra. It also plays a dominant role in the economy as a whole. A co - operative sugar factory works as a growth center in the economic development of rural Maharashtra. The sugar industry in the co - operative sector contributes 60% of the total sugar production in India. The latest figures indicate that at present (1992 - 93), there are 316 sugar factories in the co - operative sector. The state wise location of these licensed co - operative sugar factories is given in the following table No. 1.1 :

**CO-OPERATIVE SUGAR FACTORIES IN DIFFERENT STATES
(Licensed)
POSITION AS ON 31-03-1994.**

TABLE NO. 1.1

SrNo	STATE	TOTAL NO OF EXISTING LICENSED CO-OP SUGAR FACTORIES
1	Panjab	18
2	Haryana	11
3	Rajasthan	01
4	Uttar-pradesh	34
5	Madhya-pradesh	03
6	Gujarat	28
7	Maharashtra	149
8	Bihar	-
9	Assam	02
10	Orisa	04
11	West-Bengal	-
12	Nagaland	-
13	Andra-pradesh	19
14	Karnataka	25
15	Tamil-Nadu	17
16	Pondichery	01
17	Kerala	02
18	Goa	01
19	Dader-Nagar Haveli	01
20	Manipur	-
TOTAL		316

Source : Co-operative Sugar Jan 1995 Vol. 26, No. 5,
Pg.No.343.

In 1994 sugar co - operative were on the top in Maharashtra because of the policies of the state and central government, the number of co - operative factories had increased substantially. Between the 1980 - 90, 23 new factories were installed in Maharashtra and approximately 77,731 workers were employed in these factories. This agro based industry occupies a dominant position in the Indian economy. Nearly 3.25 lakh skilled and unskilled workers are employed in these industries.

1.4 TYPES OF CANE CUTTING WORKERS :

The cane cutting workers can be classified under the four categories according to their work

- I> Doki Center
- II> Direct Gadi Center
- III> Tayli Center
- IV> Gadi Center

I. DOKI CENTER :-

These cane cutters take the direction from agricultural department of sugar factory, regarding their place of work and harvesting of cane. After cutting and preparing the bundles of cane, they load it into the trucks or tractors. Such types of workers are called Doki center. These workers work under a contractor. The contractor gets the directions from agricultural department of a sugar factory.

II. DIRECT GADI CENTER :-

The workers who have their own carts and bullock for transporting the sugarcane towards the factory come under this category. They harvest and prepare the bundles of sugar cane and after loading this in their bullockcarts, transport it to the factory. These workers are referred to as Direct Gadi Center.

III. TAYLI CENTER :-

These cane cutters have their own bullocks but not carts for the transportation. They have to take the carts from the factory and transport the cane to the factory.

IV. GADI CENTER :-

The bad road forces the sugar cane cutters to transport the cane in their own bullock carts upto the main roads, from where it is carried either in the truck or tractor. These cane cutters harvest and prepare the bundles of sugarcane and transport it till the main road. These workers come under this category.

The present study concentrates on the first category of the cane cutters in " Yashwant Sahakari Sakhar Karkhana Ltd., Khanapur" where the cane cutters harvest and prepare the bundles of the cane. They also load it in the trucks and tractors for transporting to the factories.

1.5 CANE CUTTERS :**NUMBER OF CANE CUTTERS IN MAHARASHTRA****TABLE NO. 1.2**

Year	No. of factories	No. of cane cutters
1985 - 86	80	2,13,840
1985 - 87	84	2,42,340
1987 - 88	85	2,39,785
1988 - 89	90	2,77,740
1989 - 90	92	2,80,508
*1993- 94	110	3,16,500

* Estimated

SOURCE :- Arthsanwad Volume 17. No - 01 Page No. 45

The above table gives the details about the number of cane cutters in Maharashtra from 1985 to 94. It shows that the numbers of cane cutters is rising @5.33% p.a. Within a span of five years as many as 70,000 cane cutters have joined this occupation. As on 1990 there were nearly 2.8 lakhs cane cutters in co-operative sugar industry.

The ranks of cane cutters has been swelling over the years rapidly due to the migratory character of the agricultural labour. They migrate from the draught prone areas of Karnataka and Maharashtra.

For example, In Maharashtra, they migrate from Aurangabad, Jalgaon, Solapur, Satara and Nasik districts to sugar factories. The previous studies show that they have been migrating over the past 18 to 19 years periodically. These migrants are mainly small land holders, landless labourers and daily wage workers who seek alternative employment to supplement their earnings.

1.6 THE WAGES TO HARVESTING LABOUR :

Since 1972 - 73 the workers have been more conscious regarding their rights and wages. Apart from this, the favourable government policies regarding the pay structure over the years has ensured that the workers get their minimum earnings. The committees appointed by the Maharashtra Government from time to time has reviewed the minimum wages for different types of activities of cane cutters. The details of the wages are given in the following table :

WAGES OF CANE-CUTTERS.

TABLE NO. 1.3

Sr No.	Type of work	Rates Rs. per tonne		
		1988-89	1989-90 to 1991-92	PERCENT.
A. Direct Gadi Center				
1.	Harvesting	21.50	30.00	42.51
2.	Transportation upto first one Km	09.70	14.00	44.32
3.	For every Km after the first Km	02.10	03.00	42.85
B.	Gadi Center	26.75	38.50	43.92
C.	Doki Center	23.10	34.50	49.32

Source : Arthsanwad Volume 17 Issue - 1 Page No.53

The above table shows the minimum earnings of cane cutters. The minimum earnings for cane cutting is given as Rs. 30 per tonne for Direct Gadi Center, Rs. 38.50 for Gadi Center and Rs. 34.50 for Doki Center in the year 1991 - 92. The present study attempts to throw some light on the economic conditions of the first category of cane cutters. The above wages are under revision.

1.7 SUGAR CANE PRODUCTION AND MAHARASHTRA :

TABLE NO. 1.4

RANKING OF THE STATES ON THE BASIS OF AREA UNDER SUGARCANE
(000' hectares)

RANK	STATE	1992 - 93*
1	Uttar Pradesh	1857
2	Maharashtra	404
3	Karnataka	251
4	Tamil - Nadu	231
5	Andra Pradesh	171
6	Haryana	134
7	Bihar	133
8	Gujarat	127
9	Punjab	112
10	Madhya Pradesh	52
11	Orissa	43
12	Assam	40
13	Rajasthan	24
14	West Bengal	15
15	Kerala	08
16	Nagaland	04
17	Pondicherry	03
18	Tripura	02
19	Himachal Pradesh	02
20	Manipur	02
21	Goa, Daman and Div	02
22	Mizoram	01
23	Meghalaya	N
24	Jammu and Kashmir	N
25	Delhi	N
26	Andaman and Nicobar Island	N
	ALL INDIA	3618

* Final Estimate N Negligible

Source: Co-operative Sugar Jan. 95 Vol. 26 No.5,
Page No.372.

The estimates given in the table No.1.4 shows that 3618 thousand hectares of land is under sugarcane cultivation in India. According to the latest available data in India, Uttar Pradesh and Maharashtra states play a

crucial role and hold 1st and 2nd rank having 1857 and 404 thousand hectares of land under sugarcane. Whereas Karnataka, Tamilnadu, Andhra Pradesh, Haryana and Bihar states are also playing significant role in the production of sugar cane and these states are holding 3rd, 4th, 5th, 6th and 7th rank respectively in India having cane cultivation area more than 250 and less than 135 thousand hectares. It is quite surprising that Bihar, though being recognised as economically backward region is progressive in sugarcane cultivation whereas the state like Haryana which is one of the developed and well irrigated states is less progressive as far as area under sugarcane is concerned.

The states like Gujarat, Punjab, Orissa, Madhya Pradesh and Assam fall under third category and have area under sugarcane more than 125 and less than 40 thousand hectares. In this category Gujarat holds the first position with 127, whereas Assam is in the last position having 40 thousand hectares area under sugarcane according to the table.

The states which have very little area under sugarcane cultivation, that is more than 15 and less than area under sugarcane 24 and 15 thousand hectares respectively.

The states which have very negligible area under sugar cane are Nagaland, Pondicherry, Goa, Tripura, Mizoram and others. The above mentioned states have less than Five (5) thousand hectares area under sugarcane. The states which fall under this category are having a cultivation of spices as their main crop. So we find that sugarcane is the last option for them.

There are states in India like Jammu and Kashmir, Meghalaya, Delhi and Andaman and Nicobar Island that have no sugarcane cultivation at all.

The above situation informs that the states like Uttar Pradesh, Maharashtra, Karnataka, Tamilnadu and Andhra Pradesh are the leading states in the sugarcane cultivation in India. Where as the states like Goa, Tripura, Mizoram etc. which have seashore and the spices and Nut plantation as their main crops and also the states like Kerala which has rubber, spices and nut plantation as their main crop have no sugarcane cultivation.

TABLE NO. 1.5

RANKING OF THE STATES ON THE BASIS OF SUGARCANE PRODUCTION
(IN '000 TONNES)

RANK	STATE	1992 - 93*
1	Uttar Pradesh	102942
2	Maharashtra	30853
3	Karnataka	24025
4	Tamil - Nadu	21598
5	Andra Pradesh	12350
6	Haryana	10872
7	Bihar	06369
8	Gujarat	06550
9	Punjab	06031
10	Madhya Pradesh	02745
11	Orissa	01739
12	Assam	01548
13	Rajasthan	01129
14	West Bengal	889
15	Kerala	520
16	Nagaland	209
17	Pondicherry	200
18	Tripura	80
19	Himachal Pradesh	69
20	Manipur	59
21	Goa, Daman and Div	29
22	Mizoram	12
23	Meghalaya	06
24	Jammu and Kashmir	06
25	Delhi	02
26	Andaman and Nicobar Island	N
	ALL INDIA	230832

* Final Estimate N Negligible

Source : Co-operative Sugar Jan 95 : Vol 26
No.5, Page No.373.

The all India production of Sugarcane as on 1992 - 93 was approximately 2308 lakh tonnes. The major states contributing to the production of sugarcane are UP, Maharashtra, Karnataka and Andhra

Pradesh. It is interesting to note that Maharashtra contributes the 2nd highest production after U.P. among all the states. This shows that the climate and the soil conditions are suitable for the cultivation of this crop. As a result of which a greater amount of land is allocated to its production. So one can expect that more number of Labour force will also employed in the cultivation of sugar cane.

TABLE NO. 1.6

RANKING OF THE STATES ON THE BASIS OF SUGARCANE YIELD

(IN '000 TONNES PER HECTARES)

RANK	STATE	1992 - 93*
1	Tamil Nadu	104.0
2	Karnataka	86.0
3	Gujarat	85.5
4	Pondicherry	80.5
5	Maharashtra	76.4
6	Andra Pradesh	72.1
7	Kerala	69.3
8	Orisa	64.6
9	West Bengal	57.7
10	Punjab	56.7
11	Uttar Pradesh	55.4
12	Nagaland	50.0
13	Haryana	48.9
14	Rajasthan	46.5
15	Tripura	46.0
16	Bihar	45.4
17	Goa, Daman and Div	42.3
18	Assam	38.8
19	Madhya Pradesh	33.4
20	Manipur	32.7
21	Andaman and Nicobar Island	31.0
22	Jammu and Kashmir	29.8
23	Meghalaya	21.0
24	Himachal Pradesh	13.0
25	Mizoram	07.0
26	Delhi	N
	ALL INDIA	63.8

* Final Estimate N Negligible

Source : Co-operative Sugar Jan 95 : Vol 26
No.5, Page No.374.

As far as the yield per hectare is concerned, Tamilnadu occupied the top position whereas Maharashtra ranks fifth. When we see the first five - six ranks in the table, one can conclude that yield per hectare is higher in southern states of India. The state like Uttar Pradesh which is a leading state as far as area under sugarcane is concerned, occupies eleventh position in the ranking of yield per hectare. Most of the states in the North India has got the yield per hectare less than the national yield average which is 63.8 per hectare.

TABLE NO. 1.7

**RANKING OF THE STATES ON THE BASIS OF SUGAR PRODUCTION
BY CO - OPERATIVE SECTOR.**

(IN '000 TONNES)

RANK	STATE	1993 - 94*	
		CO-OP	TOTAL INDUSTRIES
1	\$\$ Maharashtra	2699	2746
2	\$ Gujarat	826	826
3	Uttar pradesh	624	2715
4	Tamil Nadu	444	1085
5	Karnataka	375	831
6	Punjab	223	312
7	Andra pradesh	221	647
8	Haryana	171	308
9	Bihar	-	230
10	Madhya pradesh	16	37
11	Pondicherry	16	37
12	Orissa	23	24
13	Goa	07	07
14	Rajasthan **	05	16
15	Assam	03	04
16	Kerala	02	02
17	West Bengal	-	05
18	Nagaland	-	01
	ALL INDIA	5655	9833

Co - op % of production 57.5%

- * Provisional
- ** Includes Sugar recovered from sugar beet
- \$ Gujarat and Maharashtra were bifurcated into two zones each from 1986 - 87.
- \$\$ Maharashtra was further bifurcated into three price zones from 1993 - 94.

Source : Co-operative Sugar Jan 95 Vol.26 No.5

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The above table provides the details regarding the statewise total sugar production and the share of Co - operative Sugar Factories in it in the year 1992 - 93. Co - operative Sugar Factories plays an important role in the sugar production of India with 57.5% producing 5655 thousand tonnes of sugar out of 9833 thousand tonnes in the year 1992-93. As observed earlier Uttar Pradesh, Maharashtra and Tamilnadu are the leading states in the country as far as the sugarcane cultivation and its production is concerned. Here according to the above table Maharashtra in holding first rank in the country in the sugar production, where the co - operative Factories are playing dominant role by producing 2699 out of 2746 thousand tonnes sugar which is more than 90%. The states like Uttar Pradesh, Tamilnadu, Karnataka, Gujarat, and Andra Pradesh have very good sugar production, but only in Andra Pradesh, Tamilnadu, Karnataka, and Gujarat co - operative sector is playing dominant role. In Uttar Pradesh and Tamilnadu

co - operative has no importance. In Uttar Pradesh and Tamilnadu Co-operative factories are producing less than 50% of the share of total sugar production. But except Haryana and Punjab there is no other state in this category in which the co-operative plays a dominant role. It means that in Rajasthan and Madhya Pradesh less than 40% of the sugar is being produced by the co - operative sector where as in Bihar there is no sugar production by the co - operative industries. But in Pondichary out of 37 thousand tonnes 16000 tonnes of sugar is being produced by the Co-operative sector.

The states which are not high sugarcane producers are West Bengal, Goa, Nagaland, Kerala and Assam, they have sugar production more than 1 and less than 7 thousand tonnes which is being produced by co - operative industry only, where as in West Bengal and Nagaland total production of sugar is produced by the private sector. Once again in Assam, in the last category Co-operative sector plays an important role.

Above table and its explanation reveals that Maharashtra, Tamilnadu and Uttar Pradesh are the leading states in the sugar production in the country. Where Maharashtra is first in the total production of sugar as well as first in the production through co - operative sector. And the states like West Bengal, Nagaland, Kerala, Assam and Goa are the worst in the sugar production and except Goa and Assam there is no importance to the co - operative in the sugar production in these states. The sugar industry since independence has shifted to the southern states of India.