C H A P T E R VII.

CONCLUSIONS & SUGGESTIONS

7.1 Introduction:

In this Chapter, we sum up the major conclusions regarding the relationship between various factors and the rate of capacity utilisation of co-operative sugar factories in Kolhapur district. It is to be noted here that the present exercise was undertaken to explore the possibilities of formulating a more precise and testable set of hypotheses which will constitute the main objective of the Ph.D research to be undertaken in near future.

7.2 Review of Literature:

In Chapter I, we have given brief review of some important earlier studies regarding the problem of capacity utilisation - both over and under utilisation - in different industries. Broadly, this review shows that factors like distance from the market, inadequate and irregular supplies of raw material, inadequacy of finance, problems of labour, unrest, failure of power supply, demand deficiency,management inefficiency, neglect of maintenance and changes in government policy constitute the important causes of under utilisation.

7.3 Problem & Methodology:

In Chapter II, we have spelt out the problem under study, i.e. to examine correlationship between cane production, cane yield per hectare, area under sugarcane, cane imports, cane diversion, cane price, sugar price, stoppages, irrigation and rainfall and the rate of capacity utilisation of co-operative sugar factories in Kolhapur district.

7.4 Empirical Results:

(a) In Chapter III, we tried to examine the correlation of cane production, yield per hectare and area under sugarcane with the rate of capacity utilisation. The overtime factorywise 'r' values, yearwise cross sectional 'r' values and aggregate 'r' values indicate that cane yield per hectare has the strongest positive correlation with the rate of capacity utilisation followed by the total cane production in the area of the factory. However, area under sugar cane does not seem to be of great significance in this respect.

(b) In Chapter IV, we examined the correlation of cane imports,s cane diversion and the net cane imports with the rate of capacity utilisation. It is seen that the net cane imports (cane imports - cane diversion) certainly is positively but not very strongly correlated with the rate of capacity utilisation. It is, however, necessary to examine this problem further in more details.

(c) In Chapter V, we examined the correlation of sugar cane price of t^{th} year, cane price of t^{th} year and the rate of capacity utilisation of t+2th year and t+1th year respectively. The 'r' value of all the three types that we get are not very strong and in many cases, they are negative, indicating a weak correlation between the variables concerned. This problem can be further examined as correlation between sugar price of t^{th} year and the capacity utilisation of t+1th year and similarly, correlation between the cane price of t^{th} year and the capacity utilisation of t+2th year. We have also calculated price elasticity of cane supply with reference to the price of sugarcane in the previous year. The results obtained do not give us any definite conclusion.

(d) In Chapter VI, we have examined the correlation of rainfall and irrgation with the rate of capacity utilisation. We have related rainfall of the t^{th} year with the capacity utilisation of t+1th year. It is seen that, overtime, factorywise 'r' values and aggregate 'r' value indicate a fairly strong and positive correlation with capacity utilisation. However, the cross sectional 'r' values though weak are negative. Further, probing in to this aspect is necessary. In respect of irrigation, we could calculate the aggregate 'r' value only because of data constraint. This 'r' value is fairly strong and positive.

7.5 Recommendations:

On the basis of our findings, we can tentatively suggest that for optimum capacity utilisation, following steps must be taken by the sugar factories concerned:-

(1) Encouraging and assisting the expansion of irrigation facilities in the factory area. This may be more competently done if the factory prepares long-term perspective irrigation plans and provides technical guidance on a permanent basis.

(2) The factories must undertake, apart from irrigation facilities, research in cane cultivation with the objective of increasing yields per hectare by suggesting changes in seed selection, application of fertilisers and more scientific water supply.

(3) Efforts should be made to plan the area under sugarcane, cane diversion and cane imports in such a manner which will ensure, as far as possible, optimum capacity utilisation.

ǂ ǂ ǂ