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I N T R O D U C T I O N :

Co-operative movement is world wide movement, which protects and promotes the interests of various groups like producers and consumers. The movement is a challenge for capitalistic and socialistic economies. It combines initiative mutual benefits and it can be applied in different fields of economic life viz. agriculture, industry, processing, marketing, distribution, supplies, transport and housing. A rapid growing co-operative sector became a dominant factor for social security and for rapid economic development.

In Maharashtra, sugar co-operative factories are playing vital role in rural economic development. These factories have changed the rural picture from pessimism to optimism. These co-operative sugar factories have changed the economic life of the producer members. So an attempt is made in the present study to find out economic impact of Krishna Sahakari Sakhar Karakhana Ltd., Rethare Budruk, on it's producer members.

1:1:1. GENESIS OF THE CO-OPERATIVE MOVEMENT:

Co-operative movement is a world wide movement which protects and promotes the interests of various groups like producers and consumers. The movement is challenge for capitalistic and socialistic economies ' which has created it's co-operativistic economy, based on co-operative principles. It combines initiative mutual benefits and it can be applied in different field of economic life viz agriculture, industry, processing, marketing, distribution, supplies, transport and housing. A rapid growing co-operative sector becomes a dominant factor for social security and for rapid economic development.

H.Clavert has defined co-operation as " A form of an organisation in which persons voluntarily associate together as human being on the basis of equality for the promotion of the economic interest of themselves".¹

The above definition indicates that co-operation is the form of an enterprise which aims to do efficient business and co-operation means working together. It serves as an organisational instrument for the economically weaker producers, farmers, artisans and consumers for strenthening themselves and protecting themselves against the strongers' exploitation.

In India, " The practice of combining for the mutual supply of money has been in existance as 'Chit Fund' in Southern India, chiefly in the Malbar and Tirmelvely districts in Madras State, long before the introduction of co-operative

legislation in India. Combination of cultivators residing in the same village or group of villages technically known as 'Fad'. Those are known to have existed since a long time for the purpose of cultivating a commercial crop like sugarcane in Kolhapur district and surrounding part of the Bombay State.²

In India since last 20 to 25 years co-operative have entered in a big way in various spheres of economic activities including credit, marketing and processing. Today sugar co-operatives are no more merely tiny village level organisation, these are playing dominant role in the area of operation, State and country as a whole.

At present co-operative movement marches tremendously. It has covered 93% of villages and 38% of the total rural population.

The co-operative movement has good features which are as follows:-

1. It is an association of persons run by members themselves by investing their own money at their risk. No doubt it requires capital but the emphasis is on man, not on capital he contributes. " In economic co-operation it is men that counts, not money." ³

2. It is a voluntary organisation.

3. It is a democratic organisation. The principle of

' One man one vote ', is accepted by this organisation.

4. There is service motto rather than profit.

5. Equality- Under this organisation all persons possess equal rights.

6. It is socio-economic movement which is highly based on all round development of the members and society as a whole.

7. It provides service to members and community as a whole.

1:1:2. PRINCIPLES OF CO-OPERATION:

The co-operative movement is a system of undertaking economic or social activity by group of people for satisfaction of their common economic and social needs and in doing so, observe a set of rules and practices as are inter-nationally accepted. Generally these rules are known as co-operative principles.

G. Mladenatz, the historian of co-operative ideas, has classified co-operatives into the three systems:

1. Rochdale principles were adopted to consumer co-operatives.
2. Raiffeisen principles were adopted to farmers and independant artisans or traders.
3. Schulze - Delitzsch principles were adopted to the credit for traders.

THE INTERNATIONAL CO-OPERATIVE
ALLIANCE - 1966.

In 1934 The International Co-operative Alliance appointed a committee to adopt new technique of organisation in co-operation. But the report of this committee was unrealistic and unsatisfactory. So the new committee was appointed under the chairmanship of Dr.D.G.Karve. The following are the principles of International co-operative Alliance-1966:-

1. Open and voluntary membership.
2. Democratic administration.
3. Self help and mutual help.
4. Principle of service.
5. Distribution of surplus.
6. Political and religious neutrality.
7. Principles of education.
8. Co-operation among co-operatives.

(1) VOLUNTARY ASSOCIATION:- There is no compulsion on anybody to join a co-operative society. There should not be political or religious discrimination concern to membership.

In this respect Mr.P.R.Dubhashi has said that society should refuse the entry of bad character people, whose interest is to destroy the society.

(2) DEMOCRATIC ORGANISATION:- The society should be managed by elected body. There should be equal rights to all members of the society i.e. one man one vote. It will encourage to the society for self government.

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(3) SHARE CAPITAL:- There should be fixed interest rate on a share capital. In the words of the Lambert " Co-operatives do not pay interest on capital of any sence of fuirness or in order to encourage savings but solely out of necessity."

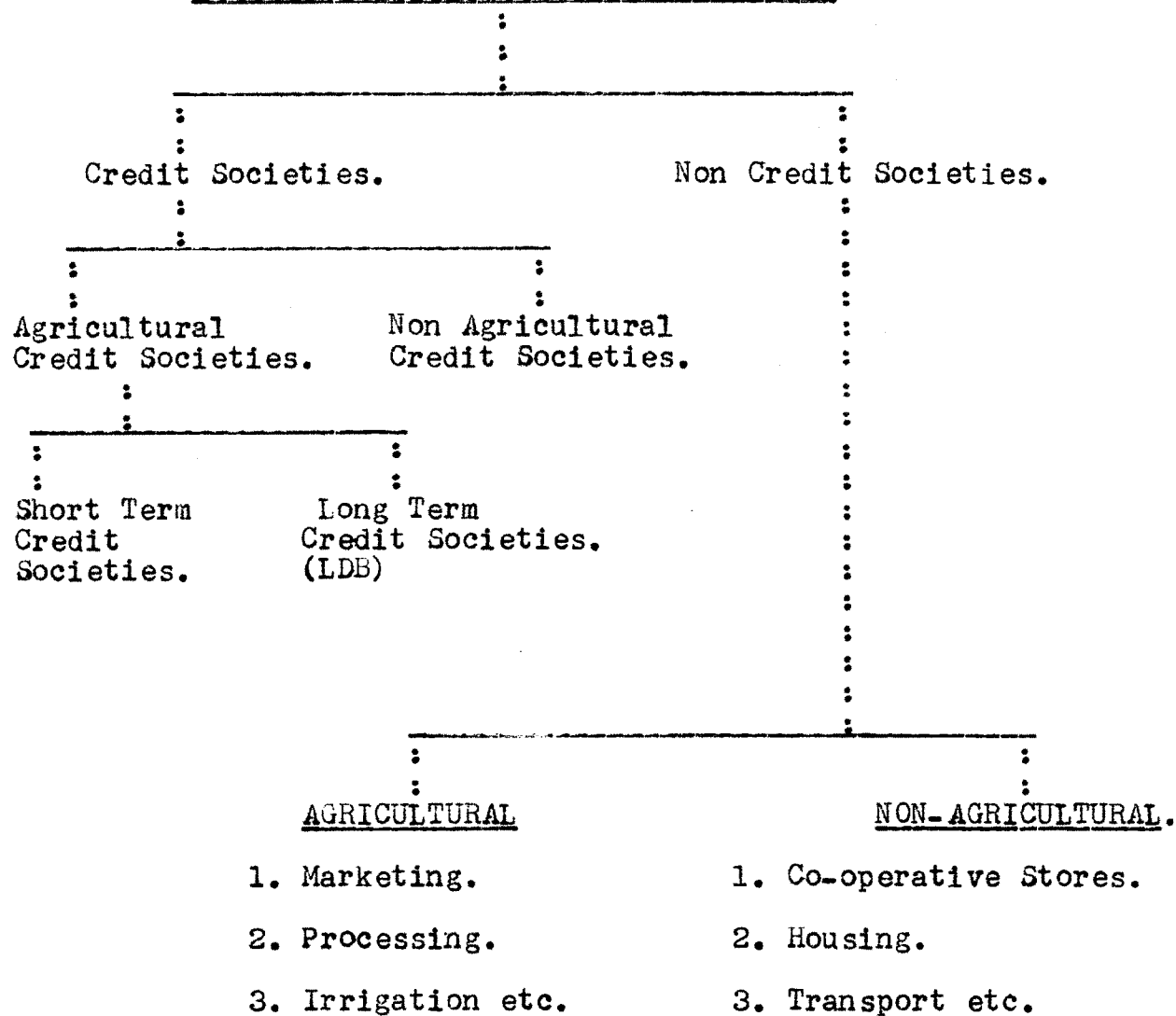
The main purpose of limited interest is to protect the non profit character of the co-operative. Because there is possibility of profit maximization motive of the co-operative organisation if the organisation pay high rate of interest on share capital. So there should be fixed rate of interest on share capital.

(4) E D U C A T I O N:- It should make provision for education to the members, staff officers and of general public.

(5) S E R V I C E:- A co-operative enterprise is motivated by the spirit of service.

(6) CO-OPERATION AMONG CO-OPERATIVES:- At the local national and international level all co-operative societies should co-operate to one another.

" All above principles have common features and based on the same principles namely, voluntary association of principle having common needs and interest, the improvement of the economic and social position of the co-operative members by means of a common enterprise, the democratic management of co-operative associations expressed by rule of one man one vote, the independance of co-operatives from political and religious influence and they all mainfest educational and moral tendencies.

CHART NO. 1:1.STRUCTURE OF CO-OPERATIVES IN INDIA

SOURCE:- "Indian Economy" by Hegade and Kulkarni
 Gadag Publication, 1985,
 Page No. 152.

1:1:3. CO-OPERATIVE PROCESSING IN
INDIA: (SUGAR).

Some of commodities have to pass through a particular stage to reach consumer. This stage is called process. Under the process the product is transformed into consumable form. Generally, processing improves the durability, superiority and quality of the product.

There are two methods of processing. These methods are called as indigenous method and mechanical method. The processing of sugarcane into sugar in factory is possible by mechanical power using method of processing.

In the market generally we find that, it is the business of traders to process the produce and to resale it by charging high prices to the consumers. Their practices inconnection with customers as well as farmers were not good. Because of these mal practices neither farmer nor consumer was benefitted. The huge amount of total profit from agricultural product went in the pocket of traders. This economic exploitation can be avoided through the co-operative processing.

In India, the co-operative processing societies like sugar are playing vital role in the co-operative sector. These co-operative sugar factories became integral part of rural economy.

In order to develop rural economy and to promote other organisations through better prices the co-operative processing is essential. The R.G.Saraya Committee (1961) explained the importance of co-operative processing on the above grounds.

In India first agricultural processing society viz Cotton Sale Co-Operative Society was formed at Gadag(Mysore) in 1917. This society gave large inspiration for development of cotton sale co-operative societies in Gujarat.

In 1932 the protection was given to Sugar Industry. "The Etikoppaka Co-Operative Sugar Factory is the oldest sugar factory in the country." ⁵. During 1932 to 1935, four co-operative sugar factories were established out of which three in Madras State.(at present these are included in Andhra Pradesh). The 4th one was established in Uttar Pradesh.

In 1951 the production of sugar was 1.5 lakh tonnes and area under sugar cane cultivation was 17 lakh hectares.

In the beginning of Second Five Year Plan there were 139 co-operative sugar factories which were producing 19 lakh tonnes of sugar annually.

In 1956, the Government of India assigned an important role to the co-operatives for establishment of agricultural processing industries. During this period major sugar factories were under private sector. In order to develop

co-operative processing the Government has appointed The Damale Committee in 1960-61.

During 1968-69 the Government licenced 76 co-operative sugar factories out of which 58 factories were in operation.

In 1971 there were 117 co-operative sugar factories. As on 30-6-1976 the factories had a membership of 4.37 lakh of which 4.26 lakh producers and had Rs. 53.35 crores paid up capital. Out of this total paid up capital Rs.34.68 crores were contributed by members.

The position during the year 1981-82 to 1986-87 is given as under.

TABLE NO. 1:1.STATE WISE NUMBER OF SUGAR FACTORIES IN OPERATION
IN INDIA

Sr.No.	Name of State.	Year 1981-82		Year 1986-87	
		Co-Ope- rative.:	Total.	Co-Ope- rative. :	Total
1.	Andhra Pradesh.	14	28	18	31
2.	Assam.	1	2	2	2
3.	Bihar.	0	28	0	26
4.	Goa.	1	1	1	1
5.	Gujarath.	14	14	12	12
6.	Harayana.	4	5	7	8
7.	Karnataka.	13	23	14	24
8.	Kerala.	2	3	1	2
9.	Madhya Pradesh.	2	7	3	8
10.	Maharashtra.	67	78	84	91
11.	Nagaland.	-	1	-	1
12.	Orissa.	2	3	2	3
13.	Punjab.	4	8	7	11
14.	Pondicherry.	-	1	1	2
15.	Rajasthan.	1	3	1	3
16.	Tamilnadu.	10	21	12	25
17.	Uttar Pradesh.	18	92	29	103
18.	West Bengal.	-	2	-	2
ALL INDIA:-		153	320	194	355

SOURCE:- Co-operative Sugar, June 1988.
Vol.19 No.10, page No. 734.

The table No.1:1 shows the State wise number of sugar factories in India. During 1981-82 the total number of sugar factories was 320, out of which 153 factories were under co-operative sector. Where as in the year 1986-87, there were 355 sugar factories out of which 194 sugar factories were under co-operative sector. The larger co-operative sugar factories that is 84 are in Maharashtra State.

The position of area under sugar cane cultivation, production of sugar cane, yield of sugar cane per hectare, total cane crushed, total sugar production and recovery of sugar cane percentage is given in Table No. 1:2.

TABLE NO. 1:2.

STATEMENT SHOWING AREA, PRODUCTION AND YIELD OF SUGAR CANE,
CANE CRUSHED, SUGAR PRODUCTION AND RECOVERY OF SUGAR CANE.

YEAR.	Area under Sugar cane. (000 Hectare)	Production of sugar cane. (000 Tonnes)	Yield of sugar cane per Hectare. (Tonnes)	Total cane crushed. (000 Tonnes)	Total Sugar Production. (000 Tons.)	Recovery of sugar cane %
1981-82	3193	186358	58.4	37342	8437	9.66
1982-83	3358	189505	56.4	82697	8229	9.95
1983-84	3110	174076	56.0	59024	5917	10.02
1984-85	2953	170319	57.7	60090	6144	10.22
1985-86	2850	170648	59.9	68563	7015	10.23
1986-87 [*]	3055	182480	59.7	85202	8502	9.98

*Provisional.

SOURCE:- Co-operative sugar, June 1988
Vol. 19 No.10, Page No. 727.

The Table No. 1:2 indicates that the yield of sugar cane per hectare and total sugar production is increased during 1981-82 to 1986-87.

Now a days, sugar industry occupies an important position in Indian economy. The total capital investment is about Rs. 1,250 crores. It provides employment to more than 5 lakh workers. More than 30 million farmers directly depend upon the industry. In order to make all round development of co-operative sugar industry, the Government has set up National Federation of Co-Operative Sugar Factories. Out of the total agricultural production 22% is contributed by sugar production in Indian agricultural production. India produces 80 lakh tonnes of sugar per year. The quality of sugar is superior to other foreign countries and so India is becoming a dominant country in the World sugar market.

The significant roles of sugar industry are summarised in the following quotation.

" It has growing the social consciousness in the society. This is a social accountability of social aspirations. Not only this but also it has been encouraged and organised with Government percentage and public funds (To),

- a) secure increase in production and equitable distribution of gains among the cane growers, workers, and the consumers,

- b) create the sense of mutual obligation and concern for rehabilitation of weaker sections of the community including labour both agricultural and industrial.
- c) eliminate exploitation of workers and provide amenities and facilities for their better living
- d) provide opportunities to the rural community for gainfull employment,
- e) develop and improve sugarcane cultivation in particular and agriculture in general,
- f) sugar co-operatives are also popularised for their
 - (i) accute participation of the factory in improving irrigation facilities,
 - (ii) remunerative prices offered for sugarcane supplied by member and
 - (iii) help rendered by the factories to the members in respect of finance for growing sugarcane." 6.

1:1:4. CO-OPERATIVE SUGAR FACTORIES IN
MAHARASHTRA:

The co-operative sugar factories in Maharashtra are the important medium of integrated rural development. The sugar industry, being raw material localised and agro-based, industry made tremendous economic, social and cultural changes in rural area through the co-operative sector.

The co-operative sugar factories in Maharashtra have played an important role in rural area because of the following reasons.

1. Co-operative sugar factories have drastically changed the economy of rural Maharashtra by providing industrial activities and benefits to share holders.

2. The co-operative sugar factories are acquiring balanced regional economic growth.

3. The co-operative sugar factories are playing important role in enabling area developing activities like road, education and other social and cultural activities.

4. The co-operative sugar factories have become a source of state Government income through various type of taxes.

In this way the co-operative sugar factories in Maharashtra have brought about an agricultural revolution, the results of which are an increasing income, standard of living and development of social and cultural activities in rural Maharashtra.

In Maharashtra, successful co-operative sugar factory was established in 1950 at Pravaranagar in Ahmednagar District, under the leadership of Padmashri Late Vitthalrao Vikhe Patil under the guidance of wellknown economists Late Dr. Dhananjayrao Gadgil and veteran co-operative leader Late Vaikunthabhi Mehata.

The progress of co-operative sugar factories in Maharashtra may be categorised in the three stages-

A) FIRST STAGE:- (1950 To 1960)

During this period there were 34 co-operative sugar factories in Maharashtra. Out of these 27 co-operative sugar factories were located in Western Maharashtra. Because the climate, soil and water resources are favourable for sugar cane production in Satara, Sangli, Kolhapur, Pune, Ratnagiri and Kulaba district.

The proper and suitable co-operative leadership and response by the cultivators are main factors which influenced this greater contribution.

B) SECOND STAGE:- (1960 To 1970)

Since 1960 number of proposals of co-operative factories were forwarded by different regions and leaders. The Maharashtra State Government considered all these proposals and helped to develop co-operative movement from developed to under developed ares.

The former Chief Minister, Late Vasant Rao Naik took decisions concerned with sugar industrial policy of the State. In order to achieve balanced regional development near about 10 to 12 co-operative sugar factories were licenced by State Government to Vidarbha regions. Now today there are 36 co-operative sugar factories out of which 27 co-operative sugar factories are producing sugar.

C) THIRD STAGE:- (1970 To 1987)

Up to 1970 to 74 all co-operative sugar factories were concentrating their attention on the production of sugar only. But since 1975 most of the co-operative sugar factories diverted their attention from sugar to the other by-product like Alcohol, Acetone project, Press mud, Fertilizers etc. The Bharat Co-operative paper Mills Ltd. have also been set up by the group of co-operative sugar factories in Maharashtra with a capacity of $12\frac{1}{2}$ metric tonnes of paper a day.

In 1981 the total registered factories were 78 out of which 67 were in production, the total membership was 437600 and total share capital was Rs. 9,443 lakhs. The total sugar cane crushed during the year was 16,953 thousand tonnes and these factory had been produced 1877 thousand tonnes, of sugar production.

In 1987, there were 98 registered factories. Out of these 84 were in actual production. These factories had produced 2,270 thousand tonnes of sugar production. The value of this production was Rs. 1,13,500 lakh. The share capital of these factories was Rs. 19,000 lakh, where as the amount of deposits was Rs. 32,000 lakh. The total amount of owned funds was Rs. 53,000 lakh. The working capital of these factories was Rs. 1,06,000 lakh.

The details of the progress during 1981 to 1987 is given in the table No. 1:3.

TABLE NO. 1:3.PROGRESS OF CO-OPERATIVE SUGAR FACTORIES
IN MAHARASHTRA:

Sr.No.	I T E M.	1981	1985	1986	1987
1.	Factories Registered.	78	100	100	98
2.	Factories in Production.	67	77	79	84
3.	Sugar cane crushed (Quantity)	16953	19063	19672	--
4.	<u>SUGAR PRODUCED.</u>				
	A) Quantity ...	1877	2121	2209	2270
	B) Value	60683	78483	95005	113500
5.	No.of factories having Distillery plants.	18	26	26	--
6.	Membership. ...	4376	6080	6200	--
7.	Share Capital.	9443	16,500	18000	19000
8.	Deposits. ...	14129	26500	29000	32000
9.	Owned Funds. ...	26004	47500	50000	53000
10.	Working Capital.	66843	100000	104000	106000

NOTE:-

1. Rs. in Lakhs.
2. Members in hundreds.
3. Quantity in thousand tonnes.
4. T.C.D. = Tonnes crushing per day in thousands.
5. At the rate of Rs. 3700 & 4,300 per tonne for the year 1985 and 1986 respectively.

SOURCE:- The Maharashtra Co-operative
Quarterly.(Vol.XI),No.4,
April 1988, Page No. 186.

The co-operative sugar factories has also given importance to research. With the help of producer members the co-operative sugar factories has started the research institute at Pune named ' Deccan Sugar Institute'. It is the first sugar research and training institute established by member farmers in the co-operative sector in Asia.

The group of co-operative sugar factories has started the industry named 'National Heavy Engineering Co-Operative Ltd.' at poona, which is producing machinery for sugar industries.

Majority of the factories have started Lift Irrigation Schemes, Poultry farms, educational, medical centres and tried to transform the rural scene from pessimism to optimism.

1:2. RESEARCH METHODOLOGY:

1:2:1. NATURE OF THE STUDY:- The co-operative sugar factories in Maharashtra have played a crucial role in rural economic development. They have changed the total scene of rural economy. These factories have provided employment opportunities in rural areas. They have generated income, mobilised savings and increased the level of investment in rural areas.

In satara district " The Krishna Sahakari Sakhar Karakhana Ltd. Rethare Bk." has played significant role in it's area of operation. The factory has generated income, increased employment opportunities and mobilised savings in the area of operation.

An attempt to study economic impact of the factory on it's producer members is made in this study.

1:2:2. OBJECTIVES OF THE STUDY:

The main objectives of this study are as follows:-

1. To study the impact of factory on it's producer members in respect of their agricultural pattern viz. size holding of the land, irrigated and non irrigated land area, sources of irrigation, cropping pattern etc.
2. To study the impact of factory on aggregate income of the producer members.



3. To find out impact on saving and investment of the producer members.
4. To study the impact on extent of employment.
5. To study the changes in consumption pattern of the producer members.

1:2:3. THE SIGNIFICANCE OF THE STUDY:

The study attempts to measure the changes in the agricultural pattern and living conditions of the producer members. So this study will represent the position of producer members with past and at present. This may help and guide to the factory for its further planning. The study may help and guide to producer members in respect of their agricultural and economic development.

1:2:4. COLLECTION OF DATA:

A) PRIMARY DATA:- Primary data is collected through four page questionnaire prepared for sampled producer members. The sample is selected through those producer members of the factory who became members during the year 1980-81 to 1982-83. The number of these producer members is 2,829. Only 100 members are selected for the sample with random sample method from 10 villages belong to Karad taluka. Because out of 129 total villages in area of operation of the factory, 65 villages are belong to Karad taluka. Major impact of the factory is on Karad taluka.

There are 20 guts made by factory's agricultural department for the administrative purpose. Out of these only 10 guts are selected with alternative sequence method. One village from one selected gut is selected with random sample method. 10 members from each village are taken for sample with sample method. The names of these villages are as Rethare, Wathar, Belawade, Goleshwar, Malakapur, Nayayanwadi, Atake, Gharewadi, Wing and Potale.

B) SECONDARY DATA:-

Secondary data is collected through the factory office and annual reports of the factory during 1980-81 to 1985-86. The informations are collected with long and detail discussions with the staff of the sugar factory, staff of district statistical department and progressive farmers and local leaders in the concerning villages. The published literature available in liabrary, Government offices and sugar factory office is considered for collection of secondary data.

1:2:5. LIMITATIONS OF THE STUDY:

1. It should be assumed that only factory is not affecting on economic position of the producer members. There are other institutions and agents, which also affects on the economic life of the producer members.

2. The study does not involve in detail of producer members' net income and consumption expenditure. The suggestions are expressed through an empirical study.

3. The study is based on sampled producer members and general findings are expressed.