

# CHAPTER 1

# **Chapter 1**

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# Chapter 1

## Introduction & Review of Literature

### 1.1 Co-operative Movement in India:-

Co-operative sector has made considerable progress and diversified its activities in India. It has emerged as an important growth centre in the economic development of rural area. Particularly the development of agro processing industries, which play a crucial role in the bringing out rural transformation. Co-operation is voluntary organization of the weaker section of the society based on the principle of self-help with mutual aid. It functions on democratic lines with equal importance of man and capital. It logically follows that any co-operative business organization functions on the basis of value judgment and the principles such as open membership, limited interest on capital, distribution of profit in proportion to business, co-operative education and training, political neutrality and cash trading etc. The first co-operative act was passed in 1904. After independence the co-operative movement was imposed upon the people by the government which created the sufficient infrastructure in the rural areas and it helps a lot in creating the well-built three tier co-operatives credit structure in rural areas. It is particularly during the plan periods that the co-operative movement which could get grip in the field of agricultural credit could capture the agro based industrial sector of marketing of agricultural commodity like sugarcane, cotton, jute etc. thus, the spread of Co-operative movement in the agro industrial sector could give more scope to farming community for enhancing the level of income during the planned period.

To-day Co-operative movement in India is one of the largest movements in the world. Initially it was started with a limited spectrum of activities or dispensation of rural credit has now entered in all fields of economic activity with social content. We are proud of the movement which has covered 100 per cent villages and 75 per cent rural households and functioning over 545 thousand Co-operatives of various levels with membership coverage of 236 million and working capital of 34,00,555 million inclusive of credit and non-credit. It has been playing a significant role in

disbursing agricultural credit, distribution of agricultural inputs, providing market support, processing, etc.

If we have to evaluate 100 years of the co-operative movement in India we have to classify Co-operative movement in the following three stages:-

#### **1.1.1) Co-operative Movement Before Independence (1904 to 1947)**

Before independence Co-operative movement works as an instrument in achieving the goal of planned economic growth towards welfare state. Co-operative movement tries to strengthen the weaker sections of the society. Co-operative movement has played vital role in rural development process. It works with a mission to reduce socioeconomic inequality. It works for decentralization of socio-economic and political power. In this period Co-operative movement can be viewed as a true freedom movement which tries to provide freedom in true sense.

#### **1.1.2) Co-operative Movement After Independence (1947 to 1991)**

Co-operative movement after independence has gained central place in the process of economic development however it is controlled and regulated by the political power. It was found to be in the hands of bureaucrats. If we critically examine the Co-operative movement after independence we found only the quantitative growth in Co-operative institutions. The real purpose of Co-operative movement is not found to be achieved as per the expectations. The important reason for this is the rigorous control and regulations by the Government which retards the freedom of the Co-operative movement. Government's intervention in the Co-operative movement itself becomes hurdle in the development of Co-operative movement in India. Co-operative movement was found to be in the hands of few, Gharanas, Landlords, and Capitalists.

#### **1.1.3) Co-operative Movement after 1991:-**

Since, 1991, India adopted the New Economic Policy and the era of Liberalization, Privatization, and Globalization began. In this policy the Government aid and assistance was removed and some business activities

were entirely entrusted to the private sectors. This policy is harmful to the Co-operative movement. Now Co-operatives must stand on their own feet. Co-operative movement in India is the greatest among the world. We are having over 5 lakhs of Co-operative societies with the membership of over 20 crs of rupees as the working capital to advance both farm and non-farm credit for agriculture and agro processing industries. Co-operatives are advancing 40% of the total farm credit and are controlling 60% of sugar production, 23% of fertilizer production, 30% of textile production, 45% of milk production etc. of our country. But unfortunately political interference and defective Co-operation policies of the Government is crippling the efficiency of the Co-operative societies if we have to make the benefit of new economic policy and structural changes we must emphasize on the strengthening of Co-operative movement in India. The Government should therefore frame a well defined and sound national Co-operative policy taking into view the changes that are taking place today in India as well as out side the India. Where there is will there is a way.

## **1.2 Progress of Co-operative sugar Industry in India:-**

Indian sugar industry, second largest agro-based processing industry after the Cotton textiles industry in country, among agro based industry sugar industry occupies a premier position in the field of agricultural product processing. The industry has made tremendous progress in production, employment generation. The development of sugar industry in the co-operative sector has made most important and major contribution of co-operative sugar factories in the socio-economic development is quit significant. The important feature of the sugar industry is that it is located in rural areas. It is no doubt that co-operative sugar factories are helpful not only the agricultural development but also for the socio-economic changes. Sugar industry covers around 7.5% of total rural population and provides employment to 5 lakh rural people. About 4.5 crore farmers are engaged in sugarcane cultivation in India. Sugar mills (cooperative, private, and public) have been instrumental in initiating a number of entrepreneurial activities in rural India. Present paper is an attempt as to review progress of sugar industry in India, understand its problems and challenges in context of

ongoing liberalization process. Indian sugar industry can be a global leader provided it comes out of the vicious cycle of shortage and surplus of sugarcane, lower sugarcane yield, and lower sugar recovery, ever increasing production costs and mounting losses. It needs quality management at all levels of activity to enhance productivity and production. Attention is required on cost minimization and undertaking by product processing activities.

India is the fourth major sugar producing country in the world, the first three being Russia, Brazil and Cuba. Sugar industry occupies an important place among organized industries in India. Sugar industry, one of the major agro-based industrial in India, has been instrumental in resource mobilization, employment generation, income generation and creating social infrastructure in rural areas. Indeed, sugar industry has facilitated and accelerated pace of rural industrialization. At present, there are 553 registered sugar factories having capital investment of Rs. 50,000 crores and annual production capacity of 180 lakh metric tonnes (ISMA Report, 2004). The annual turnover of industry is to the tune of Rs. 25,000 crores. The central and state governments receive annually Rs. 2500 crore as excise duty, purchase tax, and cess. More than 4.50 core farmers are engaged in sugarcane cultivation and about 5 lakh rural people have got direct employment in the industry. Sugar industry has brought socio-economic changes in rural India by way of facilitating entrepreneurial activities such as dairies, poultries, fruits and vegetable processing, and providing educational, health and credit facilities.

### **1.2.1 FIVE YEAR PLANS AND SUGAR INDUSTRY:**

The sugar industry was granted protection till 1950. Since independence there has been an overall increasing trend in sugar production in India. Production of sugar has increased by leaps and bounds in the planning period. To meet the increasing sugar requirement during different plan periods targets of sugar production were fixed as depicted in table 1.1

Table 1.1

## Progress of Sugar Industry during Five Year Plans

Plan	Production Target (lakh tonnes)	Actual Production (lakh tonnes)	No. of Sugar Mills
First Plan(191-56) last year	18	19.34	138
Second Plan (1956-61) last year	25	30.29	175
Third Plan (1961-66) last year	35	35.32	200
Fourth Plan (1969-74) last year	47	39.50	229
Fifth Plan (1974-78) last year	54	58.42	298
Sixth Plan (1980-85) last year	76	61.78	356
Seventh Plan(1980-85) last year	102	109.90	414
Eight Plan (1992-97) last year	143	-	412
Ninth Plan(1997-2002) last year	148	185	434
Tenth Plan (2003-04) last year	-	170	461

(Source: Yojana Nov. 1999, ISMA Report 2004 and Internet)

Before the commencement of First Plan there were 138 sugar factories with an installed annual sugar production of 19.34 lakh tonnes. During the plan period, to achieve targets of sugar production, licences were issued for setting up of new factories and for many of the existing units to expand the size of the units. The number of the sugar factories increased to 143 in the first plan, 175 in the second plan. The production increased to 30.29 lakh tonnes in the second plan. During second plan the target of production was 22.5 lakh tonnes which was increased to 25 lakh tonnes but the actual production exceeded up to 30.29 lakh tonnes which was slightly more than demands. This resulted in decontrol upto some extent. In the third plan the target of production was 35 lakh tonnes. Due to short fall in production of the cane in first three years of the Third plan the target could not be fulfilled but at the end of the plan the target of production was achieved with production of 35.32 lakh tonnes of sugar. Although the sugar production upto 3rd Plan was more than target but due to seasonal variations the target could not be achieved in fourth plan. Again in Fifth plan the production was more (58.42 lakh tonnes) than target (54 lakh tones). In the Sixth plan the larget was 76 lakh tones but the production was only 61.76 lakh tonnes. Again in Seventh plan it was more than target. In Eight plan the target further could not be achieved. Although the production of sugar decreased in 1992-93 and 1993-94 but it increased to 146 lakh tonnes in 1994-95 and India became largest sugar producing country in the world. In 2002-2003 the production of sugar in



India was 28 lakh tonnes which decreased to 170 lakh tonnes in 2003-04. IN 1950-51 there were 138 sugar mills in India but upto 31st March 2004 this number increased to 461. At present their are 553 registered sugar factories having capital investment of Rs. 50,000 crores and annual production capacity of 180 lakh metric tonnes (ISMA Report, 2004) and presently sugar industry is the second largest agro-based industry of India.

There are about 507 sugar mills in India with an installed capacity of 17.87 million tonnes. Its total sales as an industry for FY05 were about Rs 12,000 crores with net profit of about at Rs 500 crores.

**Table No 1.2**

<b>Sector</b>	<b>Number of factories</b>	<b>Percentage</b>
Private	174	34%
Public	33	7%
Co-operative	300	59%
Total	507	100%

(Source: Company Data)

The industry was dominated by co-operative sugar mills, which contribute over 59% of the total sugar production in India. State-wise, Maharashtra and Uttar Pradesh together contribute over 58% of the production. The situation is expected to tilt in favor of the private players as we believe they will be able to wrest substantial chunk of market from the cooperatives.

### **1.2.2 Sugar Production In States:-**

The following table shows level of sugar production (In Lakh Tonnes) in Indian States:

Table No 1.3

## Sugar Production in States

State	2002-03	2003-04	2004-05
Uttar Pradesh	58.74	46.08	50.32
Maharashtra	61.64	31.99	22.29
Karnataka	17.98	11.57	13
Tamil Nadu	17.04	11.9	9.84
Andhra Pradesh	11.88	8.81	9.75
Gujarat	12.38	10.77	8.32
Haryana	5.99	5.86	4.03
Uttaranchal	4.59	3.93	3.82
Punjab	5.11	3.88	3.37
Bihar	4.21	2.77	2.77
Madhya Pradesh	0.85	0.94	0.85
Other	0.91	1.09	1.58

The sugar production in the states largely depends upon monsoon. From 1998-2003 good monsoon resulted a larger production of sugar in the country.

### 1.3 Progress of Co-operative sugar Industry in Maharashtra:-

Maharashtra Sugar Industry is one of the most famous and large-scale sugar manufacturing sectors in India. Sugar manufacturing has been growing at a massive pace since past few years and a glance at the latest statistics regarding sugar production reveals that Maharashtra is doing better than other states.

First private sugar factory as the Belapur sugar and Allied Industries was established at Haregaon, tal Shirampur, Dist Ahmednagar in the year 1948. In co-operative sector first co-operative sugar factory was established at Loni in Ahmednagar district in the year 1950. It was established under the guidance and leadership of Dr. D.R. Gadgil and Shri Vitthalrao Vikhe-Patil. The success of this co-operative sugar factory was

due to foresightedness of founder members and enthusiastic farmers in this area. In 2000-01 there were total 195 sugar factories working in the state and out of them 186 were in co-operative sector. The sugar co-operatives of Maharashtra contribute substantially to the states economy and were instrumental in making farmers in the sugar belt prosperous. Ninty five percent of sugar produced in Maharashtra comes from the co-operative segment, and rest from the private sector. The turn over of the co-operative industry in the state is Rs12,000 crores, and Maharashtras co-operative segment accounts for 32 percent of the national sugar production. Now Maharashtra 18.9 lakh members of co-operative sugar factories are working, 16 lakh members of them are sugarcane growers. sugar industry in Maharashtra is estimated to have produced 50-67 lakh tons of sugar. The sugarcane price stood up to Rs. 600 per ton as has been stated by an administrative unit of federation. The sugar industry in Maharashtra has also decided to introduce innovative technologies in the sugar and sugarcane production. Maharashtra state is suitable for sugarcane cultivation due to black soil tropical climate and availability of sufficient and assured water supply. The tropical belt is more suitable for sugarcane plantation. In the state, small, medium and large size irrigation projects have been built under private scheme as well under co-operative scheme. Co-operative sugar factories in Maharashtra have been contributing economically, socially, culturally, and politically. This industry has become the backbone of development of farmers and rural economy.

Sugar co-operatives for their expansion gave important to better sugar cane production. Supply of appropriate agricultural inputs to farmers and increased irrigation facilities in their area of operation. In addition growth of educational facilities, medical facilities etc. were also undertaken as a part of areas development by these co-operatives. Diversification of the sugar co-operatives led to growth of ancillary units, like paper, plants, distillery units etc. which is turn increased employment and let to further industrial development in the rural areas. State Government's financial aid and the Government policy of encouraging the agro based industrialization helped in the growth of sugar co-operatives in Maharashtra especially western

Maharashtra. The establishment of the co-operatives sugar factories on co-operatives basis was encouraged so that development of the co-operatives sugar factory would throw up 'local leaders' would be able to mobilize the need rural support and share capital contribution from the framers. One the factory developed under local leadership it was more possible that "area development schemes' would be implemented as the local sugar factory leaders would have a natural commitment for areas development. Establishment of the sugar factories in the co-operative sector would also help the farmers themselves to manage the affairs of the factory and take important decisions regarding diversification area development schemes etc. Hence the farmers members participation in the working of the sugar factory would be of a high standard. Though the creation of an area development fund, schemes benefiting the farmers could be undertaken. Hence the government both at the central and state encouraged co-operative sugar factories. When the co-operative sugar factory is established in a rural setting. It becomes possible for the organization to help to generate various ancillary activities for the benefit of local farmers and other members of rural society. Sugar co-operatives provided the basis for organizing other economic activities such as modern poultries, dairies, irrigation schemes, banks, gobar-gas plants better breeding of cows and many other such activities with contribute largely to be betterment of the economic conditions not only of the farmers but also landless laboures and other people in the area. The factory also establishes schools and colleges, health centers for medical facilities with modern hospital and dispensaries and organizes various cultural and sport activities. As a result of the co-operative movement, economic and social life in the concerned areas under goes a progressive change resulting in better life for the community as a whole. It is worth to state that co-operation is the heart of the economy of Maharashtra.

Table No. 1.4

## Growth of co-operative sugar industry in Maharashtra

Year	Total registered sugar factories	Co-op. Sugar factories	Private Sugar factories	Working factories
1951	13	1	12	13
1961	32	20	12	26
1971	59	48	11	40
1981	82	71	11	71
1991	101	93	08	96
1998	175	172	03	118
1999	177	174	03	118
2000	190	186	04	123
2001	195	186	09	137
2005-06	211	187	24	--

(Source:-1)Performs of sugar factories in Maharashtra 2006-07 Vasantdada Sugar Institute Pune. 2)Economic Survey of the Maharashtra (2000-01 to 2004-05)

The table shows the growth of Co-operatives sugar factories in Maharashtra during -1951 to 2005-06. The number of co-operative sugar factories has increased from 1 factory in 1951 to 187 factories in 2005-06. Moreover, there has been upward trend in the growth of factories. Total working factories increased from 13 to 137 factories in the period of 1951 to 2001. But private sugar factories decreased from 8 to 4 during 1991 to 2000 and further increased from 9 to 24 in the period 2005-06. This trend indicators that co-operative sugar factories increased progressively while ups and down swing observed in the growth of private sugar factories.

The cooperative sugar industry in Maharashtra is growing by leaps and bounds and has decided to implement a new resolution called 'futures trading' in the sugar manufacturing. The concept of futures trading is not very clear with the people involved in Maharashtra sugar industry. But according to Mr. Prakash Naiknavare, Managing Director of Maharashtra State Co-op Sugar Factories Federation, the concept of futures trading

should be taken positively and the industry should adapt itself to the changing times. Some of the units of Maharashtra sugar industry of late are running out of control and have got derailed from the actual track that was supposed to be followed. Till now, 14 units all over India have sought commendation for futures trading in the sugar mills.

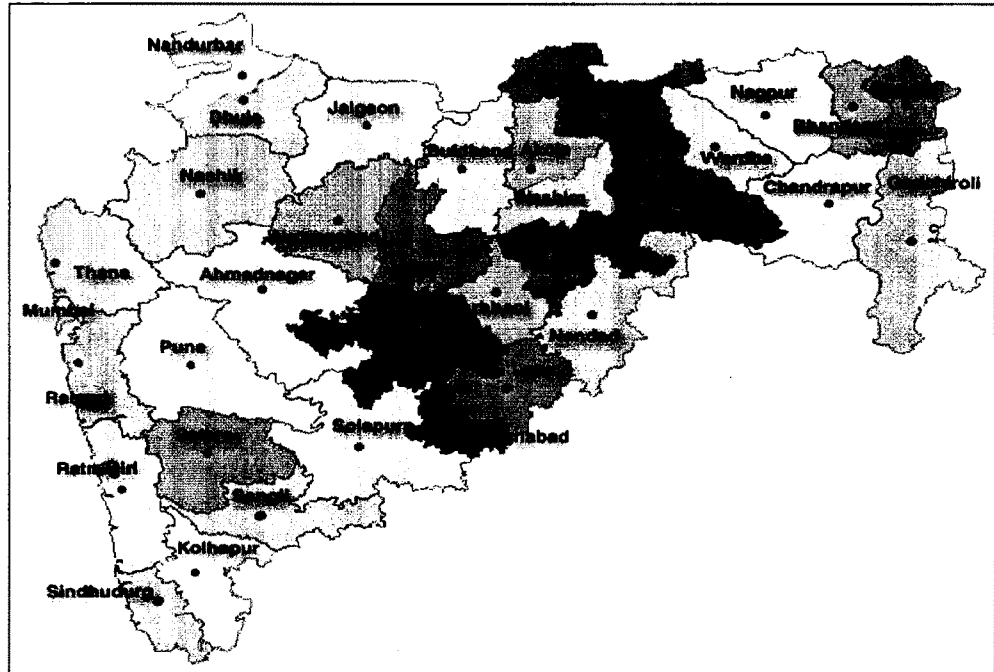
## **1.4 THE PROFILE OF SOLAPUR DISTRICT**

### **1.4.1 HISTORY OF SOLAPUR DISTRICT**

The Solapur district is known after its town head quarters "Sholapur" is believed to be derived from two wards 'sola' meaning sixteen and 'Pur' meaning village. The present city of Solapur is spread over sixteen villages, viz, Adilpur, Ahamedupur, Chapladev, Fatehpur, Jamdarwadi, Kalajapur, Khadarpur, Khandervkiwadi, Muhammadpur, Rangpur, Sandalpur, Shaikpur, Shlapur, Sonalgi, Sonapur and Vaidkawadi etc. Recent research work however shows that the name Sholapur is derived not from the congregation of sixteen villages. Its evident from the inscription of Shivyogi Shri Siddeshwar of the town was called Sonnalagi which come to be pronounced as Sonnalagi, the town of known as "Sonnalagi" even up to time of Yadavas. During the Muslim period, the town came to be known as Sandalpur, the word sandal meaning Sandal-wood. It is therefore, most probable that during the course of time the name Solapur was evolved by dropping 'NA' from the name of Sonalapur. Subsequently the British ruler pronounced Solapur as Sholapur and hence the present name of the town is Solapur.

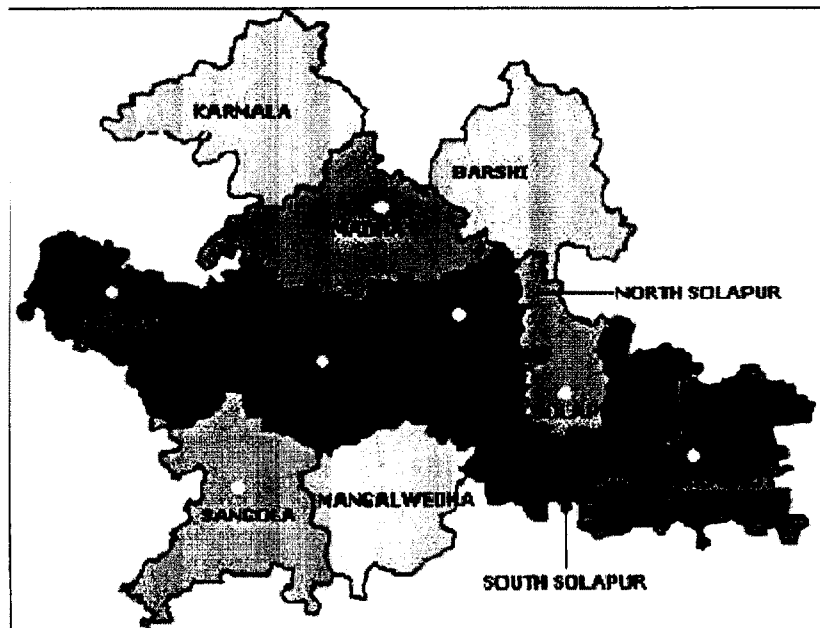
The map no. 1.1 shows the location of Solapur district in Maharashtra state.

Map No. 1.1 Location of Solapur District



The map no.1.2 shows the location of Mangalwedha Taluka in Solapur District.

Map No. 1.2 Location of Mangalwedha Taluka



## 1.4.2 LOCATION

Solapur District is one of the six districts of Pune Division situated of the South East fringe of Maharashtra State and lies between latitudes 17.10 to 18.32° North and longitudes 74.42 to 76.15° East.<sup>1</sup> The adjoining district was Sangli to its South –East, Satara to its West, Pune to its North-West, Ahamadnager to its Norths. Bid and Usmanabad to its East and the Bijapur district in Karnataka state to its South. The district is roughly 200 sq kms East-West and 150 kms North-South. The Solapur city, district headquarter is situated at distance of about 265 kms from Poona city. The district has total area 14,845sq kms. It ranks 4<sup>th</sup> in terms of area and 7<sup>th</sup> in terms of population amongst the 30 District in the State. In other words Solapur is amongst the large districts in the state both in terms of area and population.<sup>2</sup>

## 1.4.3 POPULATION

The area of Solapur District is 4.82 percent of the Maharashtra State. While the population of district is, 15.02% of the State the population of district is 38,55,383 as per the 2001 census. The Growth of population is 19.32 as per the 1991- 2001. The Density of population is 259 persons per sq km. In the total population included 19,90,661 Men's and 18,64,722 Women's. Total Rural population is 2,629,558 and total urban population is 1,225,825. And the sex-ratio is 1000 Males to 937 Females.<sup>3</sup>

## 1.4.4 LITERACY AND EDUCATIONAL LEVEL

The table show total literates and literacy rate to males and females in Solapur district.

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<sup>1</sup> Socio-Economic Survey of Solapur 2007-2008

<sup>2</sup> Socio-Economic Survey of Solapur 2007-2008

<sup>3</sup> Socio-Economic Survey of Solapur 2007-2008



Table No. 1.5 Literacy Rates

A) Literates	
Persons	2,336,825
Males	1,384,746
Females	952,079
B) Literacy Rate	
Persons	71.25
Males	81.99
Females	59.84

(Source: Gazetteers of Solapur)

Above table, reveals that from the total 2,336,825 educated persons 1,384,746 are male and 952,079 are females. Total literacy rate is 71.25% for male it is 81.99% and for female it is 59.84%

#### 1.4.5 CLIMATE AND RAINFALL

Climatically the entire district falls in the rain shadow area in Solapur district. The maximum temperature is 43.2 and minimum temperature is 13.3 centigrade. The monsoon period in Solapur district covers the period from mid June to end of September, the rainfall through out the district is scanty and annual average is 545.4 mms

The climate of district cold season from December to about the middle of February is followed by the hot season which lasts up to the end of May. June to September is the South-West Monsoon season while October and November constitute the post Monsoon or retreating Monsoon season.

The average annual rainfall of the district is 584.3 mm. most of the rainfall is received during the South-West Monsoon in the months from June to September.

The summer from about the middle of February to the end of May is a period of increasing temperatures. The heat during the summer is intense and the maximum temperature may sometimes go up to 44°C or 45°C. May is the hottest month of the year.<sup>4</sup>

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<sup>4</sup> Socio-Economic Survey of Solapur 2007-2008

### **1.4.6 TEMPERATURE**

There are two meteorological observatories in the district, one at Solapur and the other at Jeur. The data of Solapur are available for a longer period. The records of these two observatories may be taken as fairly representative of the meteorological conditions in the district in general.

The cold season starts by about the end of November when temperatures, especially night temperatures, begin to fall rapidly. December is the coldest month with the mean daily maximum at 29.39°C (84.70°F) and the mean daily minimum at 14.8°C (58.6°F). The minimum temperature may occasionally drop down to 4°C or 5°C (39.2°F or 41.0°F). The period from about the middle of February to the end of May is one of continuous increase of temperature. May is the hottest month with the mean daily maximum temperature at 39.9°C (103.8°F) and the mean daily minimum at 25.1 °C (77.2°F). The heat during the summer season is intense and the maximum temperature may sometimes go up to about 44°C or 45°C (111.2°F or 113.0°F). Afternoon thunder-showers bring welcome relief from the heat. The onset of the south-west monsoon by about the first week of June brings down the temperatures appreciably. After the withdrawal of the south-west monsoon early in October day temperatures increase slightly but the night temperatures steadily decrease. After mid-November both day and night temperatures begin to drop rapidly. Except during the south-west monsoon season, the daily range of temperature is large and is of the order of 12°C to 16°C at Solapur.

The highest maximum temperature recorded at Solapur was 45.6°C (114.1°F) on May 12, 1939 and the lowest minimum was 4.4°C (39.9°F) on January 7, 1945.<sup>5</sup>

### **1.4.7 RIVER**

The major river in the district is Bhima and Seena, Nira, Mann and Bhogawati are its tributaries. The Bhima and Sina run southeast, the Nira and Mann nearly east. During the dry season all the rivers are nearly dry. The

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<sup>5</sup> Gazetteers of Solapur

length of Bhima River in Solapur district is 289 kms. An area of 296107 hectares is under irrigation in the district from various sources.<sup>6</sup>

#### 1.4.8 ADMINISTRATIVE DETAILS

Solapur is a head quarter of the district. Solapur, Madha (Kurdwadi) and Pandharpur are three revenue divisions of the district. The administrative details of the district are presented in Table 2.4 along with the details of Maharashtra State.

**Table No. 1.6**  
**Administrative Details of Solapur District**

Sr. No.	Particulars	Unit	Solapur District	Maharashtra State
1.	Taluka	Numbers	11	303
2.	Panchayat Samitee	Numbers	11	289
3.	Municipalities Corporations	Numbers	01	11
4.	Municipalities	Numbers	09	238
5.	Cities	Numbers	10	336
6.	Villages	Numbers	1143	41833
	A) Inhabited	Numbers	1134	39354
	B) Un-Inhabited	Numbers	08	2479
7.	Integrated Rural Development Blocks	Numbers	11	298
8.	Gram Panchayat	Numbers	997	25848
9.	Police Stations	Numbers	24	833
10.	Police Outposts	Numbers	33	1426

(Sources: - District Collector Office, Solapur)

In the Solapur district development of Co-operative movement is very good according to the Solapur district socio-economic report 2003-04 in the district various Co-operative societies are working in various fields such as banking, industries, sugar factory, agriculture, dairying, transport etc. In the district 16 sugar factories are working. Out of these 2 factories are in

<sup>6</sup> Gazetteers of Solapur

Pandharpur taluka and one is in Mangalwedha taluka. Moreover, 24 cotton mills are working under Co-operative sector in 2003-04.

## **1.5 Profile of the Mangalwedha Taluka:**

### **1.5.1 History:**

Mangalwedha can boast of a rich religious and historical background. Though no definite information is available as to how the town came to be known as Mangalwedha, as per the local tradition it is ascribed to one king Mangal who was ruling from Mangalwedha. As per another account the derivation of the name of the town is the temple of Mangalāi that was there in the town. It was also known as Mangalvad or Mangaliveda during the reign of Kalachuris. It subsequently came to be known as Mangalwedha.

Mangalwedha is famous for Sant Damaji. The Mangalwedha tahsil is known as "Damaji Pantanche Mangalwedhe" (Tahasil of Damaji) all over Maharashtra. Mangalwedha is also known as the "Santanchi Bhoomi" (Land of the Sants) in Maharashtra. Vaishnava Bhakta Teekacharya, Sant Kanopatra (13<sup>th</sup> century), Shri Sant Chokamela (1338 AD), and Shri Sant Damaji Maharaj (1458 AD), who have preached the message of humanity of the people of Maharashtra and else where, all belonged to Mangalwedha. Therefore, Mangalwedha can rightfully claim to have made considerable contribution to religion, history, culture and Sant literature of Maharashtra.

### **1.5.2 INTRODUCTION**

There are many taluka in Solapur district. Mangalwedha is one of them taluka in Solapur district. Situated in 17°30' north latitude and 75°25' east longitude, Mangalwedha is the head-quarters of the taluka bearing the same name and is located at a distance of fourteen miles from Pandharpur.

Being the head-quarters of a taluka the offices of the Mamlatdar and the Block Development Officer are located in the town of Mangalwedha. It has a police station the jurisdiction of which extends over seventy-one villages in the outlying areas. It is a seat of a Civil Judge, Junior Division and a First Class

Magistrate. The educational facilities are provided by the primary schools conducted by the Zilla Parishad and the English School conducted formerly by the Government under the ex-Sangli State regime and now by the Shikshan Prasarak Mandal, Mangalwedha. The town has been electrified. The weekly market which is also a cattle market is held at Mangalwedha on every Monday. The Government rest-house is also located at Mangalwedha.

## **1.6) Review of Literature:-**

The following articles and thesis are reviewed to gain insight in to problems and to know the trends of growth and development of sugar industry in India.

Veena Goal and Tajinder Kaur<sup>7</sup> in this article entitle "Growth of Sugar Industry in India during the Post-green Revolution period." (Co-op Sugar, October 2000) mentioned that Sugarcane industry in the country. Being a supplier of basic consumer goods. It is of primary importance to a large number of sugar manufacturers, cane growers, government and consumers. The study shows that the sugar industry in India during the post –green revolution period was marked by positive growth but in was much more spectacular particularly since the 805 as a higher profitability of the sugar industry increased its paying capacity to the cane growers who responded both by shifting larger areas under and pouring huge investments into cane cultivation and diverting the supplies of cane from the Gur sub sector to the sugar industry.

Also the industry witnessed an expansion in the it's size technological up gradation that increased that percentage recovery of sugar and worked for longer duration. Along with these developments, an increase in the free sale quota of sugar under the dual pricing policy led to increased free market availability of sugar. However as growth in the consumption of sugar remained lower that of its availability, so the market price of sugar rose less rapidly than the statutory minimum price of cane.

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<sup>7</sup> Veena Goal and Tajinder Kaur "Growth of Sugar Industry in India during the Post-green Revolution period." (Co-op Sugar, October 2000)

Shri Vijaykumar Patil<sup>8</sup> in this thesis entitle "A Study of Shri Mahakali Co-operative Sugar Factory Ltd. Rajarambapunagar, Kavathe Mahankal Dist- Sangli" mentioned that overall position of Shri Mahakali Co-operative Sugar Factory showed that it has significant role in the process of economic development of rural area. In future an attempt should be made to increase the membership specially belong to backward class as well as small and marginal farmers. The management has responsibility to make proper use of funds of factory. Moreover an attempt should be made to minimize the cost of sugar by adopting advanced technology and to produce quality sugar. Moreover the planning should be made to increase the export of sugar for this purpose the survey should be conducted at international level.

The general impression seems that the working of Shri Mahakali Co-operative Sugar Factory has left an ever lasting impact on the social, economical, and cultural life of the population in general and economic stated of producer members in particular in the area of its operation. The sugar co-operative under study has not as yet distorted crop pattern in the sense of negligence of food crops.

Shri Mahendra B. Jadhav<sup>9</sup> in thesis entitle "A Study of Gadhinglaj Taluka Co-operative Sugar Factory Ltd. Harali Tal- Gadhinglaj" mentioned that co-operative sugar factories in Maharashtra have played very important role in the rural development co-operative sugar factories have made tremendous progress after independence. Factors such as government policies, irrigation facilities, new varieties of sugarcane, application of co-operative principles are responsible for the growth of factories.

In Kolhapur district the Gadhinglaj Taluka Co-operative Sugar Factory Ltd. Harali has been playing vital role in development of its area of operation. The factory provided employment opportunity. It generates saving in the area of operation. In the initial period factory had been facing many problems particularly in respect of supply of sugarcane, water but due to proper management factory succeeded in procuring sugarcane from outside and from

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<sup>8</sup> Shri Vijaykumar Patil "A Study of Shri Mahakali Co-operative Sugar Factory Ltd. Rajarambapunagar, Kavathe Mahankal Dist- Sangli"

<sup>9</sup> Shri Mahendra B. Jadhav "A Study of Gadhinglaj Taluka Co-operative Sugar Factory Ltd. Harali Tal- Gadhingla:"

outside the state. Factory also took effects for improving area under sugarcane cultivation.

Dr. Vsant B. Kodag<sup>10</sup> in the article entitles "New Challenges before Co-operative Sugar Industries In Maharashtra-A Case Study of Sangli District." (The Maharashtra Co-operative Quarterly July-September 2003) mentioned that the co-operative sugar factories in Sangli district have made positive impact on the socio-economic condition of the rural farmers. Sugar industry holds significant place in the Maharashtra economy. Sugar co-operative important pilot role for the development of co-operative banks, credit societies, irrigation societies, departmental stores etc.

State and central Govt. should declare the minimum price policy for cane. Scarcity of raw material is important problem before sugar factories. Lack of proper planning and management is common problem of all sugar units.

There is need to control and reduction in production and processing cost. Administration expenses must be minimizing. Sugar co-operatives have to do production of by-products such as Alcohol units, Power Generation and Ethanol production units.

Gajanal Madiwal<sup>11</sup> in his article entitled "21<sup>st</sup> Century Co-operative Sugar sector: New Avenues for Revenues (Co-operative sugar May 2006) mentioned that Economic growth is possible only through new generation Co-operatives that accepts and experiments the internal change management. The model reveals all the possible avenues to generate revenue not only from main operation but also from non-operational areas which we have been neglecting since they were insignificant to contribute.

There are two doors viz Internal and External. Internal doors are unlocked and within the premises of the factory. The board has to decide whether to open or not. The success of the Co-operative sugar factories purely depends the introduction of the following steps effectively and efficiently.

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<sup>10</sup> Dr. Vsant B. Kodag "New Challenges before Co-operative Sugar Industries In Maharashtra-A Case Study of Sangli District." (The Maharashtra Co-operative Quarterly July-September 2003)

<sup>11</sup> Gajanal Madiwal "21<sup>st</sup> Century Co-operative Sugar sector: New Avenues for Revenues (Co-operative sugar May 2006)

External doors are locked. Key are either with the respective state Government or with the Central Government. The board does not have any control over it. Any Government policy in this regards will affect the financial structure of the sugar sector. It is advisable to concentrate more on unlocked doors.

Prof. Ganesh Patil<sup>12</sup> in the article entitled "Half A century Track of Co-operative Sugar Industry" (Co-operative sugar April 2006) mentioned that from 1991 Congress Government accepted the policy of free economy and at the same time it was clear that sugar industry will have to face the open market due to liberalization. Unfortunately co-operative sector of the sugar industry could not change with the changing times and hence today it is very difficult to them to complete in open market for the current situation of sugar co-operative not only the management itself but state level sugar federation and state government's policy are also equally responsible.

Now it is common tendency of co-operative leaders to start sugar factory by taking loan from Government and then spending this loan for unproductive purpose. They recruit more employees and they make complaints that sugar co-operative are not profitable business so they can again demand for loan from Government or want special schemes for their sick units. This attitude destroyed the prestigious face of changing time and environment that sugar co-operative leader must work on proper agenda, then the golden days of sugar co-operative can come back.

R.P. Samvi, S.P. Kulkarni and Vaidya<sup>13</sup> in this article entitled "On growth and fluctuation of production and yield of sugarcane in the district or Maharashtra (Agriculture situation in India April,2005) mentioned that the state of Maharashtra has registered considerable change in sugarcane production during different phases of green revolution. Introduction of high yielding varieties and adaptation of advanced technology led to significant rise in sugarcane yield and production during extended green revolution era (1970-1980). But in post green revolution phase (1980-2001) decrease in

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<sup>12</sup> Prof. Ganesh Patil "Half A century Track of Co-operative Sugar Industry" (Co-operative sugar April 2006)

<sup>13</sup> R.P. Samvi, S.P. Kulkarni and Vaidya "On growth and fluctuation of production and yield of sugarcane in the district or Maharashtra (Agriculture situation in India April,2005)



yield of sugarcane played negative role in the sugarcane, production declined in Maharashtra because the area brought under this crop was rather Nontraditional viz, Vidarbha and Marathewada regions. These areas have limited water resources and limitations of other factors such as shallow depth of rooting zone and poor nutrient status. It is reported that frequent occurrence of drought in this state is also responsible for losses of the order of 15-20 percent in cane production. In general nearly 65 percent of sugarcane growing areas in Maharashtra have severed problems of water scarcity during initial growth phases especially in the year followed by a drought year.

Thus it may be seen that the growth rates of sugarcane production under the business-as-usual scenario are not adequate to meet the demands in the forthcoming years. Though green revolution has made it possible due to advanced in agricultural sciences and plants genetics and breeding in particular, yet the response of the system to input such as fertilizers and irrigations has decreased. It is expected that proper management strategies based on decision support systems would play a major role in the post-green revolution era. As the problems are complex in nature, precision management with soil, irrigation and chemical inputs (e.g. fertilizers/pesticides) at the optimum level have to be adopted judiciously in the high potential areas. In order to achieves satisfactory results an interdisciplinary approach from various agencies would be required. Expertise in the relevant disciplines is available and there are progressive farmers who area willing to adopt such technologies. What is needed is concerted efforts by interdisciplinary groups with active participation of farmers so as to lead to the enhancement of growth rates is sugarcane production.

Dr. Borade Shivaji N<sup>14</sup>. in this article entitled "Technical Efficiency of Co-operative Sugar Factories in Pune and Ahmednagar Region of Maharashtra" (Co-operative Sugar September 2006) mentioned that in Maharashtra presently there are 186 sugar factories having daily crushing capacity of 4.464 lakh tones. 102 sugar factories have completed their crushing season and the remaining 84 sugar factories were unable to start

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<sup>14</sup> Dr. Borade Shivaji N "Technical Efficiency of Co-operative Sugar Factories in Pune and Ahmednagar Region of Maharashtra" (Co-operative Sugar September 2006)

their crushing season due to cane shortage and financial conditions for successive two the three years since 2001-02 season. This had adverse impact on sugarcane supply to sugar factories in the state. Some sugar factories could not take crushing of inadequate availability of cane in their respective operational area. However, with timely rains in the last rainy seasons, improvement in irrigation facilities and implementation of cane development programme by various factories, the situation has been improved.

### **1.7 Objectives of the Study:**

- 1) To study the progress of Shri Sant Damaji Sahakari Sakhar Karkhana Ltd during 1993-94 to 2006-07.
- 2) To examine the financial position of the factory.
- 3) To study Socio-Economic development schemes.
- 4) To examine the operational efficiency of the factory.
- 5) To study impact of Co-operative industry on regional development.
- 6) To study the problems beings faced by this factory and make necessary suggestions.

### **1.8 Hypothesis:**

Co-operative sugar factory contributes to the overall economic development of the rural areas and more particularly economic upliftment of the backward communities.

### **1.9 Research Methodology:**

In view to examine the performance of Shri Sant Damaji Sahakari Sakhar Karkhana Limited, Mangalwedha, Maharashtra. the secondary data were collected from Periodicals, Newspapers, Journals, and Annual Reports of the sugar Factory etc. The period of the study is from 1993-94 to 2006-07.

### **1.9.1 Statistical Techniques:**

Keeping in view the objectives of the study some appropriate statistical techniques such as percentage, growth rates are used. Besides these, some cartographic techniques are used.

### **1.10 Chapter Scheme:**

- 1) Introduction & Review of Literature
- 2) Progress of Shri Sant Damaji Co-operative sugar factory.
- 3) The Financial position of Shri Sant Damaji Co-operative sugar factory.
- 4) Socio-Economic Development Schemes.
- 5) Summary of the findings & conclusion.