

CHAPTER - V

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PROBLEMS AND PROSPECTS

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5.1 Summary

5.2 Problems and
prospects



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The specific objectives of the present study are five fold, namely, to study the physio-socio-economic determinants as a basis for sugarcane cultivation, to analysis the changes in cropping pattern with special emphasis on sugarcane cultivation, to review the origin and development of sugar industry, to highlight the spatio-temporal growth of some aspects of sugar industry and to account for the problems and prospects of sugar industry in the State of Maharashtra. In view of these objectives, from the preceding analysis, the following points have been emerged.

5.1 SUMMARY :

The Maharashtra region is endowed with natural resources by way of fertile land, forest wealth, mineral and marine resources which provide a rich basis for industrial development. There is a great deal of variation in pattern of physical landscape, climate and soils also. The lateric soils dominate the western parts of the region; whereas, river bank's medium deep black soils have been used for sugarcane cultivation. The rainfall is relatively high in western part of the region than that of the eastern part. The density of population decreases from west to east with changing topography and soil. The transportation facilities are also poor in the eastern part as compared to western part.

Agriculture is a predominantly subsistence type of activity with considerable fluctuations in rainfed as well as irrigated areas. With the advent of planning since 1951, many irrigation projects were undertaken and completed subsequently thereby leading to an increase in area under irrigation. Besides, sugar factories set up in the cooperative sector also stimulated farmers to grow sugarcane as raw material. The farmers still make use of traditional techniques which have obstructed the introduction of improved technology in many parts. The numerical strength of improved implements may affect the nature and intensity of cane cultivation. Although sugarcane area of the region is just about 2.16 percent of the total cropped area, it ranks first among irrigated crops. In the district of Ahmednagar, Kolhapur, Satara, Pune, Nasik, Sangli and Aurangabad; however the concentration of sugarcane and levels of productivity of sugarcane is more than the other districts of the state. Sugarcane cultivation has influenced the agrarian structure favourably.

The foundation of sugar industry in the world really dates from the end of Maldonado, who took the necessary measures to grant loans for the development of the sugar industry in 1505 in Cuba. During the same period the sugar industry was introduced in America and Brazil. Whereas, the first sugar factory in India was established in the year 1784 at Sooksugar followed by second sugar factory in 1791 in Bihar.

However, sugar industry did not make much progress till 1932, when the then British Indian Government granted protection

to sugar industry for the period of 14 years. The firstly attempt to start the sugar factory in Bombay province was made by Belapur Sugar and Allied Industry in 1919 at Haregaon, district - Ahmednagar. Till 1938-39, there were 139 sugar factories in India, and the number increased upto 385 in 1990-91. The growth of cooperative sugar factories during 1950-51 to 1990-91 has been from 1 to 220. The sugar production in the country during 1955-56 was of the order of 18.34 lakh tonnes which has increased to 134.09 lakh tonnes in 1991-92.

In Maharashtra first sugar factory was established in 1919 in private sector which was started by the British company at Haregaon. The establishment of first cooperative sugar factory at Pravaranagar in 1948 was itself a very good beginning and thereafter many cooperative sugar factories are developed in the state. The yield of sugarcane per hectare in the state is quite high as compared to the yield in the other states except in Tamilnadu. As on December 1991 there were 138 sugar factories licensed of which 97 were in operation. The Maharashtra State has the highest production of sugar in the country as compare to any other state. The higher productivity of the sugar industry in Maharashtra as compared to all India average is also noteworthy. There is also higher recovery of sugar obtained by sugar factories in Maharashtra which was between 10.71 percent to 11.15 percent as compared to all India average of 9.66 percent to 10.59 percent. In the case of number of factories, crushing capacity, sugar production and sugar recovery

the Western Maharashtra is super which is known as a 'Sugar Bowl' of Maharashtra and ultimately that of India.

5.2 PROBLEMS AND PROSPECTS :

Harvesting and Transport of Sugarcane :

The sugar factories arrange for the harvesting and transport of their members cane free of charge. The main intention in shouldering this responsibility is to procure sufficient cane supplies in fresh condition. While carrying out this responsibility the factories faced a number of problems.

It is observed that there is a keen competition, not only between the cooperatives and joint-stock sugar factories but also among the cooperatives themselves for procuring labour force and vehicles required for harvesting and transportation of sugarcane. This however, necessitated the payment of high rates for the same which contributed to the high cost of harvesting and transport of cane. In some cases, it actually happened that some labour-supplying contractors broke the contracts made with one factory in order to take advantage of higher rates offered by another factory. This has created difficulties in the smooth working of harvesting and transportation of cane.

In order to get rid of this problem, recruitment of

labour from outside and mechanisation of harvesting and transport operations would mitigate the difficulties caused by labour shortage. Introduction of uniform rates for harvesting and transport of cane at least for the factories in the same locality should be attempted with a view to avoiding migration of labourers and vehicles from one factory to another. This will go a long way in checking the unhealthy competition among the sister factories.

The lack of a good network of roads connecting the villages to the factory townships was another problem being faced by the sugar industries. In the interest of efficient working of the factories, it is necessary to ensure a steady flow of fresh cane to them. The construction of good roads not only ensures this but also infuses a new life into rural areas. Most of the approach roads connecting the villages to the factory premises were no more than pathways and could be called roads only by courtesy. A shower of rain could make them impossible and interrupt the transport system.

A network of good roads may significantly reduce such social cost. The state government collects huge amount in the form of cane cess from the factories. However, a very small part of the cane cess is spent for the development of the road system in the areas covered by the factories. The intensive programme of road development can only be executed, if the state government earmarks substantial funds from the cane cess for the purpose.

Cane development :

To state that the sugar factory can run only if there is adequate availability of cane. However, the obvious has to be stated because the cane development has become a major casualty in this state. The cane development is a very complicated task and calls for a great amount of co-ordination to harmonise the activities of various agencies like the financing agency, the executive agency for organisation of lift irrigation schemes and for digging of wells, the Irrigation Department, the Agricultural Department, the Electricity Board and ultimately the cultivators.

In view of this government has recently constituted cane Development Committees to overcome this problem, it is hoped that with successful functioning of these committees, by giving top priority, cane development programmes would be of much help particularly to the newly established sugar factories.

Adjustment of crushing season :

Crushing operations have to be adjusted to the maturity period of sugarcane. In Maharashtra, the maturity period of cane generally starts from the middle of October and lasts upto the end of March. However, in the month of October sugarcane does not become completely mature for harvesting. Again sometimes heavy rains in October dislocate harvesting and transport

of cane because the harvesting seasons of other crops like paddy, groundnut etc. start from the beginning of October. This had somewhat adverse effect on their recovery of sugar because of the sapping up of sucrose content in sugarcane by the hot climate. The prolongation of the crushing season beyond March aggravates labour shortage as the seasonal labourers are eager to go back to their own fields for preliminary tillage prior to the beginning of the rainy season.

The adjustment of crushing operations to the maturity period of cane, therefore, seems to be quite essential for obtaining better working results. The propagation of early, mid and late varieties of sugarcane in this connection would ensure supplies of matured cane throughout the crushing season.

The need of better management :

It is needless to emphasise the importance of the adoption of modern management techniques in the erection and commissioning of sugar factories. Sophisticated techniques will have to be increasingly employed to ensure that a complicated sugar project costing over rupees four crores along with the simultaneous development of sugarcane around the factory comes about in the shortest possible time and have the factory established within 14-18 months of the grant of the licence. Today, there are cases where erection could not be completed even after four years. The day-to-day operations in the

implementation of project should be entrusted to people trained in the modern management techniques. The first essential requirement is to appoint and train a competent Managing Director and his staff right in the initial state to co-ordinate the items of the project work involved.

In this connection, it is suggested that just as a decision of minimum collection of Rs.30 lakhs as share capital; government should insist on the appointment of the Managing Director before placing orders for machinery.

Research and Development :

Importance of research can hardly be over-emphasised in a dynamic society. In advanced countries, great emphasis is placed on research directed towards the improvement of quality and reduction in cost. The main sugarcane producing states are also running their own sugarcane research centres. An important defect in our sugarcane research is that the extension services for carrying the results of research to the farmers and factories are inadequate and poor. There is also a paucity of financial resources required for financing research.

In this regard the extension services in the case of new innovation of research and development of sugar industry need be spread through newspapers, lectures, T.V., radio etc. For the adoption of research and development of sugar industry, besides the information, the knowhows regarding the 'Sugar Complex' should be supply to each sugar factory in the state.

Illegal plucking of cane :

The sugar industry in Maharashtra is facing an acute shortage of sugarcane during the current crushing season of 1992-93. This has led to an increase of incidents of 'abduction and plucking' of sugarcane on a large scale.

It is learnt that thirty cooperative societies in the state are already engaged in sugarcane "abduction and plucking" activity. Numerous complaints against cooperative sugar factories in this regard have already been registered.

This is the first time in the state's sugar industry that such incidents have been registered. Complaints against many sugar factories have been already made to the sugar directorate by the sugar factories concerned whose cane is plucked. To keep control on this situation the sugar directorate has, for the first time, imposed strict and strong conditions upon sugar factories to check and control sugarcane plucking. They have implemented a fine of Rs.100 per ton if the sugar factories bring sugarcane from outside areas. It is the need of the time to follow this action of discipline very strictly. Besides this, henceforth, while sanctioning the new sugar factories, without political interference, government should consider the availability of sugarcane as a basic factor.

Price of Sugar :

As per the central government policy, the price of levy sugar is same in all the states but cost of production

of sugarcane and sugar is not similar in all the states. As a result, the states having high production of cost get comparatively low price for sugar. Consequently the sugar producers do not get rational price. To sidetrack this problem, the policy of fixing the rates of sugar need be based on the cost of production.

An attempt is made to car^evout a state level picture of sugar industry, however, the day to day problems emerging differs from region to region, district to district and from factory to factory. Hence it needs further investigation at micro-level for the long and bright future of sugar industry that provides valuable foreign currency to strengthen the economy of the country.
