

CHAPTER II

A BRIEF HISTORY OF THE DEVELOPMENT OF SUGAR INDUSTRY IN INDIA:

- 2.1) Introduction.
 - 2.2) Co-operative principles
 - 2.3) Co-operative Sugar industry in India.
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CHAPTER - IICO-OPERATIVE SUGAR INDUSTRY ///2.1) INTRODUCTION:

The main cash crops grown up in the state of Maharashtra are sugarcane, cotton and chilly and groundnut and in western Maharashtra sugarcane crop is the major agricultural produce. Recently, sugar-cane production is also being taken in Marathawada region also. More or less, this crop can be taken in almost any land, provided there is ample source of water. The climate condition and the land required for sugarcane production favourably exist in Maharashtra State, particularly in western Maharashtra. Before establishment of sugar factories, the sugarcane was used for gur making, particularly in Western Maharashtra, and Kolhapur district is still well-known for gur manufacture in all over India. Naturally, while studying economic and agricultural problems of rural Maharashtra, one cannot neglect the study of sugarcane production and industries processing sugarcane. It is only after 1960, that the co-operative sugar factories are establishing as industrial units. Before 1960 there were very few sugar factories and all of them, except one, were working either as limited companies or as proprietary concerns. The first sugar factory on co-operative basis was started at Pravaranagar in Ahamadnagar District under the name Pravaranagar S.S.K.Ltd., by the two pioneers of co-operative movement in Maharashtra, in 1952, viz. Shri Vikhe-Patil and Dr. D.R.Gadgil. This was followed thereafter by the other districts and now there exists 92 sugar factories (in 1986-87) and among them 85 sugar factories are working on co-operative basis. So far as industrial activity is concerned, co-operative sector in Maharashtra has ventured in only sugar

industry, textile industry (limited to spinning mills) only. As the establishment of sugar factories has great bearing on rural development, Government has also accepted the co-operative media for rural development on socialistic pattern. In the study of industrial development of Maharashtra state one cannot ignore the role of co-operative sugar factories.

2.2) CO-OPERATIVE PRINCIPLES:

Development of sugar industry on co-operative basis has some merits which are of considerable nature. Before those are considered, it is necessary to brief down the fundamental principles of co-operation.

The concept of co-operation is as old as the origin of human being. However, co-operative as a form of business organisation has developed only recently and in some countries it has been accepted as a substitute for government under-taking to bring about economic development on socialistic pattern. In South India, the system of "Chit Fund" in credit co-operation and "fad-system" in labour co-operatives, particularly existing in western Maharashtra, are good examples of co-operative systems existing in the old times in the country. However, co-operative as a method of organising business has developed in India only in the current century. Particularly for rural development it is viewed as a good media. Now-a-days agro-based industries run on co-operative basis, like sugar factory, have proved growth centres in their area of operations and also the centres of political movements.

Co-operation is a tool for uplift of poors by mutual-help. It is a way of living cultured life. Co-operative institutions

are associations of human beings for achievement of common economic objectives by mutual help. It is a method of living, thinking and working together for achievement of common objectives.

Co-operative principles are useful mainly for development of poor people without any outside aid. It encourages mutual help, avoids unnecessary competitions and class conflicts, stimulates small savings, encourages self reliance, self-help and mutual help. Human consideration is the backbone of all co-operative principles.

In its initial stage, co-operative principles were laid down under three well known systems, viz.

a) Rochdale System, mainly connected with consumer co-operatives developed in England.

b) Raiffeison System, mainly concerned with supply of credit to farmers, developed in Germany.

c) Schulze-Delitzch System, mainly concerned with supply of credit to traders, developed in France.

All these co-operative systems have some philosophical base. However, due to industrial revolution, new problems like low wages, unemployment, child labour, mass poverty have arisen, which required change over to some extent, in the basic principles of co-operation.

In 1844 some workers of Rochdale villege established a consumer store and they laid down some rules of business, which thereafter became the principles of co-operation. "Co-operation" in general means collective efforts for achievement of common objectives. Practically it refers to an organisation of individuals who have joined together for achieving common economic objectives by mutual help and collect-

-ive efforts.

The basic principles laid down by Rochdale pioneers are summed up below:

a) Open Membership:

Any person residing in area of operation of the society and who is willing to abide by rules and regulations of the society may join the society or ~~any~~ also resign the membership of the society. The membership of the society is open to all irrespective of cast, creed, religion, language, etc.

b) Democratic Management:

Every member shall have one vote, irrespective of number of shares they hold and all members will have equal rights. In co-operatives men control capital and man is the centre of everything. Principles of democracy are observed in co-operation in real sense and by heart.

c) Limited interest on capital:

Though every member has one vote irrespective of number of shares he holds, there is generally a limit beyond which a member is not allowed to hold the share capital. Under Maharashtra Co-operative Societies Act, a member of the society can't hold more than 10% of total paid-up capital. The limit is necessary in order to make it possible to all desirous persons to participate in the Society as a member.

d) Limit on distribution of profit :

A co-operative society is an association of human beings and not as association of capital, generally there is a upper limit laid down for distribution of profit by way of dividend. The object behind this is that the society shall be ruled by

persons and not by capital and those who are economically rich shall not ~~rich~~ join the society to earn higher profit only. Only needy people shall join the society.

e) Co-operative Education:

The members of the society must understand the basic principles of co-operation, they shall not join the society only to get monetary benefits. The state Act has also provided for creation of education fund. It is necessary that the philosophy of co-operation must be understood by every member.

f) Co-operation among Co-operatives:

One co-operative society must help the other co-operative institutions to develop, either by way of investment of funds or providing credit facilities or by allowing credit.

g) Self-help and mutual help:

Every co-operative society, as far as possible, shall become self sufficient in respect of capital required for it. It shall depend upon others to least possible extent. Borrowed capital may be profitable but it is not desirable for co-operative development. In view of this, capital accumulation in co-operative institutions is made through out the life of the society, unlike a limited company.

h) Thrift:

However small a member may be, he must try to save for his well future and future of the society. In fact, a society is expected to develop out of its own means. For this purpose every kind of co-operative society allows some form of savings to its members.

i) Cash Trading:

In order to save the members from unnecessary purchases,

the society shall deal on cash basis only. However, this principle will have to be observed with due practicability.

j) Political and Religious neutrality:

Co-operative has its own philosophy and it shall remain apart from religious and political events.

Co-operative Economy:

Application of extreme principles of capitalism and communism are both harmful. It has been proved by experience of many years in many countries. Some politicians and economists are thinking of a third kind of economy i.e. co-operative economy, wherein domination of capital and government buruacrassy and unnecessary interference will both be done away with. Co-operation is a mid-way of capitalism and communism. In fact, it is an ideal form of society.

2.3) CO-OPERATIVE SUGAR INDUSTRY IN INDIA:

Nest to textile industry, sugar industry is the largest industry among processing industries in India. It is also an old industry in the country. In 1932 there were 32 sugar factories producing 1.6 lacs tons of sugar. The real development of sugar industry started when in 1932 Government of India gave protection to sugar industry from foreign competition. As a result, sugar production increased to 10 lacs tons and number of sugar factories increased to 137 in 1937. As a result the country became self sufficient in the production of sugar. The protection given to the industry was withdrawn after 18 years in 1950. Before independence, most of the sugar factories were formed as limited companies. It is only after independence that the sugar factories on co-operative basis began to establish. In 1937, four sugar

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factories were established on co-operative basis, three of them were in Andra Pradesh and one in U.P., and among them the co-operative sugar factories in Andra Pradesh have survived till now. However an effective starting point for co-operative sugar industry was provided by establishment of Pravara Co-operative Sugar Factory in Shrirampur Tahasil, Dist: A'nagar, in 1950. The successful working of this factory inspired sugarcane growers to establish further sugar factories on co-operative basis. Government of India adopted a policy of encouraging sugar factories in co-operative field by giving preferential treatment over private sector sugar factories while allowing licences under Industrial (Development and Regulation) Act, 1951. Since 1950 there has been rapid growth of co-operative sugar factories in the country, particularly in Maharashtra State. Following table shows the growth of the industry.

TABLE NO. 1.

Year	Sugar production (in lakh tonnes)	No. of sugar factories in the country.
1950-51	11.2	138
1955-56	18.3	143
1960-61	30.5	174
1965-66	35.3	200
1970-71	37.4	216
1975-76	42.6	253
1976-77	48.4	271
1977-78	64.6	286
1978-79	58.4	299

(continue d....)

Table No.1 continued...

Year	Sugar production (in lakh tonnes)	No of sugar factories in the country
1979-80	38.6	299
1980-81	51.7	314
1981-82	84.4	319
1982-83	82.3	320
1983-84	59.2	325
1984-85	62.0	356 (186 in co-operative sector)
1986-87	85.1	367

Source: Indian Sugar, April, 1985

Indian Sugar, February, 1987

Sahakari Vishwa, August, 1987.

Godava, January, 1987

In a span of over 36 years the number of sugar factories increased by 239, an increase of 266%, and the sugar production increased by 73.9 lakhs of tonnes, an increase of 773%.

Whereas there is increase in number of sugar factories in 1981-82 to 1984-85, there is decline in sugar production, mostly due to low sugarcane production during that period. The maximum sugar production recorded in the year 1986-87. The home consumption of sugar was 10.98_{lakh tonnes} in 1950-51, 19.72_{lakh} tonnes in 1955-56, 21.13 lakhs tonnes in 1960-61, 28.10 lakh tonnes in 1965-66, 40.27 lakh tonnes in 1970-71, 36.87 lakh tonnes in 1975-76, 49.70 lakh tonnes in 1980-81 and 70-59 lakh tonnes in 1985-86. It is therefore, clear that on the whole, increase in sugar production is more than the increase in home consumption of sugar, resulting ¹⁰ surplus sugar available for export.

TABLE NO. 2.

Year	Total aacrage under sugarcane in 000 acres	Average sugarcane production per acre tonnes	Average sugar recovery %
1951-52	4752	12.07	9.57
1955-56	4564	13.00	9.83
1960-61	5734	14.83	9.74
1965-66	5000	22.00	9.80
1970-71	2615	48.03	9.79
1980-81	2667	57.08	9.98
1983-84	3168	55.09	10.62

Source: Co-operative Sugar, March, 1985.

The above table shows that there was steady increase in area under sugarcane till 1965-66, but it declined by about 45% in 1970-71 and again started to show increase every year. There has been continuous increase in average sugarcane production per acre for all the years. Except for 1983-84, the average sugar recovery remained around the same figure.

State-wise study of Sugar Factories:

TABLE NO. 3.

State	1960-61 %	1970-71 %	1980-81 %
U. P.	47	35	23.8
Bihar	13	08	03.88
Maharashtra	17	28	40.5
Andra Pradesh	06	07	5.1
Karnatak	04	06	7.2

(Continue d...)

Table No. 3 continued...

State	1960-61 %	1970-71 %	1980-81 %
Tamilnadu	04	08	8.4
Gujarat	N. A.	N.A.	6.5
Other States	09	08	4.7
Total:-	100.00	100.00	100.00

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Statewise study of sugar factories reveal the following important facts:

a) The maximum number of sugar factories are in the state of U.P., followed by Maharashtra, Andra Pradesh, Karnatak and Tamilnadu.

b) Uttar Pradesh is having majority of sugar factories in private sector whereas Maharashtra is having maxium sugar factories in co-operative sector.

c) Though number of sugar factories in U.P. are more, they are of small size and so, though Maharashtra is having lesser number of sugar factories, they are of comparatively big size and so with lesser number of sugar factories Maharashtra produces larger quantity of sugar than U.P..

d) The sugar recovery percentage is found to be highest in Maharashtra State, particularly in Kolhapur district.

e) Where sugar factories have been organised on co-operative basis, they have become groth centres and centres of power. This is not so in the case of sugar factories organised in private sector.

f) Most of the co-operative sugar factories are established

and developed with state aid, the farmer members contributing comparatively very little part in capital of the factory. State aid has become a single major factor in the development of co-operative sugar factories.

The Gorwala Committee (1954) recommended development of marketing and processing industries in co-operative sector, and such societies were to be organised at primary, Tahasil, district and State and national level, with state aid and state partnership. In response to this recommendations of Gorwala committee, the Industrial Policy Resolution of 1956, Government of India assigned an important role to co-operative for establishment of agricultural processing industries. Since then, all sugar factories are being organised in co-operative sector and the existing private units are being converted in co-operative units.

SOME IMPORTANT FEATURE OF SUGAR INDUSTRY IN INDIA:

- a) In India, sugar is manufactured by using sugarcane as main raw material.
- b) If world sugar production is considered, major sugar production is done by using bit as raw material.
- c) India is a major country in the world, manufacturing sugar.
- d) Though India is sugar manufacturing country, its production does not even meet the entire need of the country. Many times it has to import sugar to meet the domestic consumption and demand gap.
- e) The cost of production of sugar is very high as compared to other countries, and so while selling Indian sugar in the world market, it is required to be sold at a price lower than

the cost.

f) The sugarcane production is concentrated in the ~~states~~ states of U.P., Maharashtra and Bihar; the share of other states is comparatively less.

g) In terms of sugar recovery percentage, the state of Maharashtra stands first, followed by the southern states and U.P. standing to the last. So, though the actual production is more in north India, the potentiality of sugarcane production and sugar manufacture is more in South India.

h) Sugar Industry in India is largest agro-based industry having total investment of about Rs.1,250 crores, providing direct employments for more than five lacs workers, more than 30 million farmers are directly dependent upon this industry. India produces more than 80 lakhs tons of sugar per year. It constitutes 22% of total agricultural production. Taking into account the importance of this industry ^{for} ~~development~~ development of rural India, Government of India has set up a National Federation of Co-operative Sugar Factories for all round development of this industry.

2.4) CO-OPERATIVE SUGAR INDUSTRY IN MAHARASHTRA:

Sugar industry in Maharashtra occupies an unque position in the economic development and political activities in Maharashtra. It is a largest agro-based industry in Maharashtra.

The important features of development of sugar factories in Maharashtra are summarised below:

a) Before independence, the progress of sugar industry in Maharashtra was negligible.

b) All sugar factories before independence, of whatever number, were all working in private sector as limited companies,

and to add they were under the control of certain communities.

c) The first Co-operative sugar factory in Maharashtra was established in 1950, by Sahakar Maharshi Late Shri VikheB Patil and late Shri D. R. Gadgil at Pravaranagar in Ahamadnagar district. It was a first successful effort of the establishment of Co-operative Sugar factory even in India, and the Factory contineous to be a success even at present. This co-operative sugar factory was started by such persons who were very keen in respect of persuance of co-operative principles. This provided a firm footing for the co-operative development that followed.

d) After the establishment of first Co-operative sugar factory at Pravaranagar in A'Nagar district, in 1950, a number of co-operative sugar factories in the state were established. Establishment of ~~@@~~ Pravaranagar Co-operative Sugar Factory is in fact a mile stone in the history of co-operative sugar factories in the state of Maharashtra and in India.

e) Before 1950, there was not a single sugar factory working in co-operative sector, but thereafter with joint efforts of Government of Maharashtra and the philosophers and leaders in co-operative field the number of sugar factories in co-operative sector increased very rapidly; whereas number of sugar factories in private sector decreased. This was on account of conversion of sugar factories in private sector in to co-operative sector. No new unit has been established in private sector after 1960-61. This was mainly because of Government policy to licence new sugar factories in co-operative sector only. Table given below justifies this statement:

TABLE NO. 4.

Table showing yearwise number of sugar factories in private sector and in co-operative sector.

<u>Year</u>	<u>Number of sugar factories in Maharashtra</u>	
	<u>Private Sector</u>	<u>Co-operative sector</u>
1950-51	12	01
1960-61	13	14
1970-71	11	30
1980-81	11	67
1984-85	10	74
1986-87	07	87

Source: Godawa, May, 1985
Godawa, August, 1987

f) In terms of total production of sugar in India, Maharashtra occupies the leading position. About 40% of total sugar production in India comes from Maharashtra. The industry provides about one lakh permanent employments and 1.5 lakhs to daily wage earners.

g) Many sugar factories in Maharashtra have undertaken manufacture of byproducts from sugarcane, such as liquor, paper, industrial alcohol, etc. Manufacturing of these byproducts has become the main source of income. Converting byproducts into main products. There are three paper plants and 20 distillery plants attached to sugar factories.

h) The peculiar feature of co-operative sugar factories in Maharashtra is that maximum possible sugarcane producers are made to involve as members of the sugar factory. There are about six lakhs producer members involved in the co-operative sugar factories. About 90% of the members are small or marginal holders of land. This has resulted in creating awareness of development in the minds of rural population regarding co-operative developme-

-nt . This awakes¹ness has instigated to the people to form other forms of co-operative associations. It is very interesting to note that, where co-operative factories are established, the other forms of co-operatives have also expanded. On the contrary, in the areas where there are no co-operative sugar factories, the number of other co-operative institutions is also negligible.

i) The quality of sugarcane produced in the state is very high, due to the availability of required soil, ~~water~~ wather and water. The natural factors are favourable for sugarcane production in the state. As a result, the recovery percentage is highest in Maharashtra, which is exhibited in the following table:

TABLE NO. 5

Table showing average recovery percentage in Maharashtra and other states:

<u>State</u>	<u>1950-51</u>	<u>1960-61</u>	<u>1975-76</u>
U. P.	10.3	9.5	9.5
Hariyana	9.8	8.9	9.3
Maharashtra	11.6	11.7	11.3
Karnatak	11.4	10.1	10.7
A.P.	--	9.5	9.9
Tamilnadu	--	--	9.2
All India	10.00	9.7	10.2

Source: Indian Sugar, March, 1977.

In general, it is seen that natural factors are more favourable for sugarcane production in South India than in North India. In some particular cases, the recovery percentage

has gone up to 12.10% in sugar factories in Kolhapur district in Maharashtra.

i) Maharashtra also produces highest quantity of sugarcane and sugar in India. In 1983-84, there were 78 sugar factories and 67 of them were in co-operative sector producing 57% of the total sugar production of the co-operative sector in the country. The area under sugarcane production had been 3.88 lakh acres in 1960-61 and the same has gone up to 7.35 lakhs acres in 1983-84, i.e. an increase of 89% over a period of 24 years.

j) There is unequal distribution of the sugar factories in Maharashtra State. Koakan has having NIL number of sugar factories, Western Maharashtra has having maximum number of sugar factories, about 80%. Recently some sugar factories are being established in Marathawada. In Vidharbha, the number of sugar factories are negligible. So, in a sense, sugar factories in Maharashtra means sugar factories in Western Maharashtra. Out of 30 districts, 19 districts are having sugar factories, A'Nagar district has the largest number of sugar factories(13), followed by Kolhapur district (11) and thereafter ranks Solapur, Pune, Nasik, Sangli and Satara.

k) In the matter of size of sugar factories, Maharashtra stands at the top. The sugar factory of Sangli stands first in Asia continent in the matter of crushing capacity. In between the ~~State % % % %~~ districts, sugar factories in A'Nagar district are of smaller size and those in Kolhapur, Sangli and Satara are of comparatively big size.

l) Most of the sugar factories in the state are utilising their maximum capacity, some factories are even working on over capacity. Many factories have increased their crushing capacity by installing entirely new unit under the same roof and management,

they are in fact separate sugar factories working under one management.

m) During recent years, on political grounds, new sugar factories are being set up at places where there is too much less availability of sugarcane. This is particularly in Marathwada region which are working on sugarcane supplies from Karnatak State.

n) As regards management of Co-operative sugar factories, both extremes are observed. On one side there are excepeionally best quality management like in private sector and on other side the worst management is also observed. On the whole, the management of the co-operative sugar factories, taking in to account the rural leadership, is much satisfactory. The number of sick units is increasing at present (13 during 1988). The sickness is on account of mis-management, undue political interference, non-availability of sugarcane, poor working capital position, etc. Recently Government has aided financially to recover these factories from sickness.

o) Among the various problems of co-operative sugar factories in the ~~State~~ State, the rate given to sugarcane producers is most important one. The rate fixed is on the basis of factories having lowest recoveries, particularly in U.P.. The cultivators are not satisfied as to the rate fixed by Government on the basis of recovery percentage in other states. In fact, there must be state wise or region-wise rates depending on recovery percentage. The farmers agistation movement in Maharashtra State for higher rate to sugarcane is well known.

p) Another peculiar feature of co-operative sugar factories in Maharashtra is that they have taken lively interest in spread of education of all kinds in the area of operation. As compared to

sugar factories in other states and sugar factories in private sector, this is certainly praiseworthy. Co-operative sugar factories in Maharashtra are really boom to the rural Maharashtra as without them such non-economical development could not have been possible. Sugar factories in private sector has never ventured in such activities. Co-operative sugar factories have in fact, become the centres of social and economical changes in rural Maharashtra. The examples of Warana S.S.K.Ltd., Krishna S.S.K.Ltd., Pravara S.S.K.Ltd., are particularly noteworthy.

q) The co-operative sugar factories have become centres of political power because of vastness of their membership and contact to a large number of people, such as workers, farmers, etc. In the political constituency in which the Factory exists, in fact, they are Governments. The reason why Western Maharashtra dominates politics in Maharashtra is found. In fact Western Maharashtra possesses 75% of total sugar factories in Maharashtra State. The management of these Sugar factories has also been in the hands of certain communities.

r) During recent years, there appears to be unplanned development of co-operative sugar factories. The area where there is ample sugarcane, no new sugar factories are allowed to start, whereas area having no sugarcane are given liberal licences to open new sugar factories.

Below given is table showing share of total sugar production of Maharashtra in the country's total sugar production:

TABLE NO. 6.

Table showing % of sugar production of Maharashtra in country's total production:

<u>Year</u>	<u>% of production of Maharashtra in Total production.</u>
1950-51	10.36
1960-61	17.31
1970-71	28.21
1984-85	31.69

Source: Godava, May, 1985.

Below given is some statistical information regarding co-operative factories in Maharashtra up to 1981

TABLE NO. 7.

Table showing statistical information relating to sugar factories in Maharashtra.

<u>Year</u>	<u>Area under Sugarcane (in 000' acres)</u>	<u>Yield per hector in M.Tons</u>	<u>Cane crushed in 000' M. Tons</u>	<u>No. of sugar Factories</u>	<u>Sugar Manufactured in lakhs</u>	<u>Recovery %</u>
1970-71	217	68	9,478	41	1,070	11.28
1972-73	146	82	10,056	47	1,074	10.68
1974-75	217	93	13,566	55	1,515	11.17
1980-81	256	89	18,878	77	2,085	11.04

Source: Office of the District Deputy Registrar, Co-operative Societies, Kolhapur

The table given below gives the idea of districtwise groth of sugar co-operatives in Maharashtra.

TABLE NO. 8.

Table showing district-wise groth of sugar co-operatives in Maharashtra State

District	No. of Co-operative Sugar factories	Production of sugar in bags	Average recovery %
Ahama dnagar	13	39,43,631	11.16
Nasik	6	14,75,816	11.22
Pune	6	17,33,667	10.86
Solapur	6	17,10,419	10.21
Kolhapur	11	51,32,259	11.53
Satara	6	27,27,523	11.57
Sangli	7	23,24,987	11.23
Dhule	4	9,62,020	10.67
Jalgaon	3	5,41,637	10.16
Bid	4	5,19,441	9.97
Nanded	2	1,62,790	9.27
Aurangabad	5	4,57,715	10.02
Parabhani	3	2,82,625	9.94
Buldhana	1	48,310	9.18
Jalana	2	1,05,865	9.94
Osmanabad	2	2,20,740	9.86
Latur	3	1,71,014	9.03
Yevatmal	1	2,14,250	10.59
Amaravati	1	6,960	5.96
Nagpur	1	115	3.10
Total	87	2,27,41,774	11.2
Private Factories	7	11,78,746	10.52
Total for Maharashtra State	94	2,39,20,520	11.00

Source: Godava, August, 1987.

2.5) CO-OPERATIVE SUGAR INDUSTRY IN KOLHAPUR DISTRICT:

Kolhapur district leads the Kolhapur movement in Maharashtra State, nay the whole country country. The development of co-operative societies in Kolhapur district is not in particular sector but in each and every sector of life. The particular sectors where the Kolhapur district has made marked development are: sugar factories, spinning mills, dairy co-operatives, consumers' co-operatives, credit co-operatives. The important features of the development of co-operative sector in Kolhapur District are summed up below:

a) The lands of this district and the mind of the people in the district is found to be more favourable for development of co-operative sector. The thoughts of social equality and industrial base ^{laid} ~~created~~ by late Shri Rajashri Shahu Maharaj is base of this development.

9) b) There is no any single remarkable name known all over the state or the country causing co-operative development in the district. A large group of spirited people are behind the development of co-operative sector in the district. The name of late Shri Tatyasaheb Mohite stands at the top, who is ~~reknowned~~ reckowned to be the father of co-operative movement in this district. The world famous "Shetakari Sahakari Sangh" is a result of his restless efforts. Thereafter the movement was led by a number of co-operative leaders, who are at present working in the field. By name we may make the mention of Shri. V.S. Shinde, Nesarikar, Shri Ratnapanna Kumbhar, Shri S.R. alias Appasaheb Patil, Shri Tatyasaheb Kore, Shri Anandarao Patil chuyekar, Shri K.B. Awade, Shri Shripatrao Bondre, Late Dadasaheb Patil Kaulavkar and so on. The successes of co-opera-

-tive movement in this district can't be contributed to any single person, it is a result of joint efforts of various small co-operative workers. We may appropriately remark that the seeds of co-operation has been appropriately sown in the soil of this district.

c) The name of Kolhapur district is well known all over the country for co-operative societies in the field of sugar factories , spinning mills, credit co-operatives, consumer co-operatives, diary co-operatives and irrigation co-operatives. Even in literature field the co-operative societies are formed which is unque example in the country.

d) Kolhapur district is agriculturally developed district in the state~~@@~~ having the main crop as sugarcane and paddy. The natural benifits available to district some way also help the co-operative development in the district. On the south of the District, there is Karnatak State, on the east and North there is Sangli District and on the West there is Ratnagiri and Sindudurg districts. Geographically the district is divided in to two areas, hilly areas and plain areas. About 7 Tahasils are of hilly areas and remaining 5 Tahasils are of plain areas. There is wide spread net of rivers all over the district. The important rivers in the district are Ghatprabha, Hiranyakeshi, Dudhaganga, Vedganga, Warana Panchaganga and Krishana. At present there is only single storage dam at Radhanagari constructed by late Rajashri Shahu Maharaj, which is the basis for development of sugar industry in Kolhapur district. There are other three dams under construction viz. Chandali dam, Kalmawadi dam and Patgaon dam. As these rivers have their origin in Sahyadri Ghat, they bring ample water. As the 7

Tahasils of hilly area are situated on western Ghats, is comparatively lesser advantageous for sugarcane production, the sugarcane production is mainly obtained in remaining 5 tahasils. The sugarcane producing main tahasils are Shirol, Hatkanagale, Karveer, Kagal, Gadhinglaj and eastern area of Chandagad, Ajra, Radhanagari, Shahuwadi and Panhala.

e) The first sugar factory in the district was established in private sector at Kolhapur as a public limited company, however it is also converted in to co-operative sugar factory. And with this now all sugar factories in Kolhapur district are working in co-operative sector. There are eleven sugar factories, all working in co-operative sector, which are named below:

- 1) Daulat S.S.K.Ltd., Halkarni, Tal: Chandagad.
- 2) Gadhinglaj Taluka S.S.K.Ltd., Gadhinglaj.
- 3) Duchaganga S.S.K.Ltd., Bidri, Tal:Kagal.
- 4) Chha. Shahu S.S.K.Ltd., Kagal.
- 5) Chha. Rajaram S.S.K. Ltd., Kasaba Bavada, Kolhapur.
- 6) Bhogavati S.S.K.Ltd., Parite, Tal: Karveer.
- 7) Kumbhi-Kasari S.S.K.Ltd., Kuditre, Tal: Karveer
- 8) Shri Datta S.S.K.Ltd., Asurle Porle, Tal: Karveer.
- 9) Warana S.S.K.Ltd., Warananagar, Tal: Panhala
- 10) Panchaganga S.S.K. Ltd., Ganganagar, Tal: Hatkanagale
- 11) Shri Datta S.S.K.Ltd., Shirol

The talukawise distribution of sugar factories is as under:

1) Chandagad	1
2) Gadhinglaj	1
3) Kagal	2
4) Karveer	4
5) Panhala	1
6) Hatkanangale	1
7) Shirol	1
Total:-	11

The talukas having no sugar factories are Ajara, Bhudargad, Radhanagari, Gaganbevada and Shahuwadi.

f) As the climatic conditions and the soil of Kolhapur district is favourable for sugarcane production and the water supply is ample, the recovery percentage of sugarcane is found to be maximum in Kolhapur district as compared to all sugar factories in India. The average recovery percentage in sugar factories in the district range from 11 to 12.12. If sufficient water is made available all over the district, additional sugar factories equal to existing number can also be run profitably.

g) Water supply to sugarcane production at present is made 100% through lift irrigation. There is no facility of canal irrigation in the district.

h) About 15 years ago or so the major sugarcane was used for manufacture of gur and Khandasari. Gur manufacture is speciality of Kolhapur district all over the country, in respect of quality and quantity of gur manufacture. This speciality remains to be there even at present, though the ^{quantity} ~~quality~~ of gur has fallen down due to supply of sugar-cane for sugar manufacture, about 20% of the total sugarcane is used for gur making even at present.

i) There are two paper plants, one at Warananagar and the other at Shirol and four liquor plants viz. Gadhinglaj, Bhogavati, Kasaba Bavada (in private sector) and shirol attached to the sugar factories.

j) All sugar factories in the District are running in profits, some of them have laid down good examples by earning good profits by increasing efficiency, such as sugar factories at Warananagar, Shirol, Ichalkaranji, Gadhinglaj. The sugar factory at Warananagar, Shiro and Ichalkaranji have brought about all round development of the area by undertaking super markets, poultry farming, lift irrigation schemes, dairy farming, educational institutions and other allied industries. The management of some sugar factories have also established co-operative Banks which are working nicely, such as Warana Sahakari Bank, Peoples Co-operative Bank, Ichalkaranji, Kumbhi-Kasari Bank, Kuditre, etc.

k) Sugar Factories in Kolhapur district appears to have managed scientifically, whereas many sugar factories in other districts are suffering from losses for a number of years. Sugar factories in Kolhapur district are running in profit since from their inception. They are well managed on commercial grounds. The office buildings of Warana and Datta S.S.K., Shiro are very nicely constructed, which may be compared with office premises of big companies at Pune and Bombay.

l) Excepting one sugar factory of Bhogavati, the rest of the sugar factories are under the control of working political party i.e. Congress.

m) About 90% of the members of the sugar factories in Kolhapur district are small and marginal holders of land, hold-

-ing less than 5 acres of land. In Kolhapur district, the existence of landlordism is very rare. Naturally major population come in close contact with the sugar factories. As such, the reflection of political power appears in sugar factories, or in other words, the power in sugar factory leads a great way in general politics.

n) The favouring points praising the co-operative sugar factories in the district have been noted earlier. However, financial malpractices, dirty politics, castism and many wasteful expenditure are the matters where in the sugar factories shall make favourable progress.

o) The leadership of co-operation in Kolhapur district in every field comes from a common man and not from a Yoyal or rich families. The co-operative movement in the district is, in fact, the real movement of the people, for the people and by the people.

In the light of development of co-operative sugar factories in India, in Maharashtra and in Kolhapur district, it is desired to through light on many aspects of working of Gadhinglaj Taluka Sahakari Sakhar Karkhana Ltd., the core of study for this dissertation.