

CHAPTER-II

**HISTORICAL BACKGROUND OF THE BHOGAWATI FACTORY
AND PROFILE OF THE SMALL AND MARGINAL FARMERS.**

- Historical Background of the Bhogawati Factory.
- Development of the Bhogawati Factory -
 - i) Membership,
 - ii) Financial Position -
 - A) Owned Capital,
 - B) Borrowed Capital,
 - C) Assets.
 - iii) Operational aspects.
- Profile of the Small and Marginal Farmers.

This Chapter mainly focuses its attention on the historical background and development of the Bhogawati Factory and the profile of the Small and Marginal Farmers.

Historical background of the Bhogawati Factory :

The market of the Kolhapur has been famous over a vast period in Maharashtra as well as in India in respect of Gur, (Jaggery). Before, 25 to 30 years the farmers from the Kolhapur District were cultivating their land mainly for the production of the sugarcane for making gur, and also some other crops such as rice, nagali, maize etc. The average farmer could be regarded as poor. As the Agricultural Census (1976) shows the percentage of marginal holders in Kolhapur District was 52.73% while percentage of small holders was 20.68%. Thus there were in all 73.41% holders who were either small or marginal farmers.⁽¹⁾

In addition to uncertainty of rain, and unremunerative prices of the agricultural products; these farmers could not become economically viable. During the same period the then Bombay State took-up the idea to establish sugar factories on co-operative basis and the first co-operative sugar factory in the State was established at Pravaranagar of Ahmednagar District in 1950-51.

Source : Socio Economic Review & District Statistical Abstract
of Kolhapur District 1981-82. Op.Cit. p.63

Perceiving the dreadful conditions of the farmers of the area and to achieve their Socio-economic Welfare, Late Shriman Dadasaheb Krishnarao Patil, Koulavkar thought of establishing a Sugar Factory on Co-operative basis, following the foot-prints of the Pravaranagar Co-operative Sugar Factory. He was assisted spontaneously by the farmers and leaders of the area. The farmers had gone to the extent of even selling out their ornaments and borrowing money from Money-lenders for raising the Share Capital for the Sugar Factory.

Accordingly, the promoters of the sugar factory led by Shri Dadasaheb Patil on 13th September, 1954 undertook to collect the share-capital and the first share worth Rs.1,000/- was purchased at the hands of Shri Hari Ramaji Patil of Sadoli (Khalsa).

On 30th September, 1952 under Licence No.L8/53-54, the Government of India sanctioned the Sugar Factory with a crushing capacity of 1000 metric tonnes per day.

On 18th October, 1955, the factory was registered under the Bombay State Co-operative Societies Act of 1925 with the Registration No. G 273/18-Oct; 1955.

The first Board of Directors was appointed on 29th March, 1956, under the Chairmanship of late Shri V.P. Varde.

On 30th June, 1956 the Bhogawati Factory had a Share Capital of Rs.8,91,320/- contributed by a total of 1428 members consisting of 1407 'A' Class members, 2 'B' Class individual members and 19 Co-op Society Members.

The first trial season was started on 16th February, 1959. The Bhogawati Factory crushed 16,218.048 Mts. of sugarcane and produced 18,813 bags of sugar during the trial season. The sugar recovery registered was 12.18 percent.

Development of the Bhogawati Factory :

Table No.2.1, showing Development of the Bhogawati Factory with the help of certain Key factors like figures showing its financial position, the operating details etc. as on 30th June of 1960, 1970, 1980 and 30th September of 1981, 1982, 1983 & 1984 has been given at the end of this Chapter. The analysis of this Tables provides us with the following details :

i) Membership : The membership position at different dates is given below :

Year	Members				Total
	A-Class (Producer)	B-Class (Non-pro- ducer:In- dividuals & Co-op. Institu- tions	C-Class (Nominal)	D-Class (State Govt.)	
1959-60	1674	25	-	1	1,700

Year	Members				Total
	A-Class (Producer)	B-Class Non-pro- ducer:In- dividuals: & Co-op. :Institu- :tions	C-Class (Nominal)	D-Class (State Govt.)	
1979-80	7,513 (348.8)	51 (104)	3,494	1	11,059 (550.5)
1983-84	7,962 (5.98)	52 (N)	4,467 (27.85)	-	12,481 (12.86)

- Note : 1) Figures in the brackets show percentage change over the previous figure.
2) N - denotes negligible.

The increase in A Class (i.e. producer) members is mainly due to increase in capacity. The Share capital of the State Government is refunded in 1981-82.

ii) Financial Position :

The Bhogawati Factory's Capital structure and the position of assets are not different from any other Co-operative Sugar factory from the State of Maharashtra. The capital structure consists of owned capital (Share Capital & Reserves & Surplus) and borrowed capital (Borrowings from members and outside agencies). The details analysed from Table No.2.1 are as follows :

A) Owned Capital (Figures in Rs.lakhs) :

	<u>1959-60</u>	<u>1979-80</u>	<u>1983-84</u>
Share Capital	29.71	105.19	99.74
Reserves & Surplus	13.32	423.34	521.24
Total Owned Capital :	<u>43.03</u>	<u>528.53</u>	<u>620.98</u>

B) Borrowed Capital
(Figures in Rs.Lakhs)

i) Term loans	87.40	69.90	10.90
ii) Short-term loans	76.55	Nil	101.58
<u>Deposits from Members :</u>			
iii) Non-refundable	2.26	247.62	316.69
iv) Other Deposits	Nil	210.75	339.42
Total Borrowed Capital :	<u>166.21</u>	<u>528.27</u>	<u>768.59</u>
Total Funds Available (A+B) :	<u>209.24</u>	<u>1056.80</u>	<u>1389.57</u>

C) Assets :

Fixed Assets	149.48	595.92	789.28
Current Assets Rs. - 43,241/-		823.32	761.65
Investments Rs.75/-		18.49	18.01

iii) Operational Aspects :

The Bhogawati Factory's operating details may be summarised thus :

	<u>1959-60</u>	<u>1979-80</u>	<u>1983-84</u>
1. Crushing Capacity (Metric Tonnes per day).	1,000	2,000	2,000

	<u>1959-60</u>	<u>1979-80</u>	<u>1983-84</u>
2. Total Crushing Days	129	181	166
3. Total Sugarcane Crushed (M.T.)	93,340	3,76,710	3,82,253
4. Total sugar produced (Quintals)	1,00,776	4,47,665	4,54,420
5. Recovery percent	10.84	11.86	11.82
6. Reduced Mill extraction (percent)	N.A.	94.16	94.14
7. Rate per M.T. of sugarcane, given by the factory	47.00	249.00	237.00
8. Harvesting charges given by the factory (per M.T.)	6.25	24.;7	33.63
9. Total villages in the area of jurisdiction.	37	53	53

Source : Annual Reports of the Bhogawati Factory.

The above Table shows the progress of the Bhogawati Factory upto 1983.84. The crushing capacity is double at 2000 MT/Day in 1983-84 as compared to its original position in 1959-60. The capacity increased from 1000 MT/Day in 1969-70. Total sugarcane crushed, as seen from the above Table, was 382,253 M.T. in 1983-84. However, a close look at Table No.2.1 reveals the ups and downs in the sugarcane crushed from 1979-80 to 1983-84. It was 4,81,273 M.T. in 1982-83. Likewise Table No.2.1 shows the ups and downs, in the same

period, in respect of sugarcane recovery. The price paid to the sugarcane-grower member was Rs.249 per M.T. in 1979-80 which increased to Rs.299 per M.T. in 1980-81 and then declined to Rs.264 per M.T. in 1981-82, to Rs.244 per M.T. in 1982-83 and further to Rs.237 per M.T. in 1983-84. Harvesting charges paid for the sugarcane harvested show an increasing trend with Rs.24.17 per M.T. in 1979-80 and Rs.33.63 per M.T. in 1983-84.

Profile of Small and Marginal Farmers in jurisdiction of the Bhogawati Factory :

As noted earlier, 73.41% of the landholders in Kolhapur District (as of 1976) are Small and Marginal Farmers.

Detailed data of Small & Marginal Farmers from 32 villages of Radhanagari Taluka and 21 villages of Karveer Taluka, coming under the jurisdiction of the Bhogawati Factory would not be collected on account of many difficulties. However, general conclusions are drawn from whatever data that are available.

There are 4,414 Shareholders from the 32 villages of Radhanagari Taluka and 3,471 shareholders from the 21 villages of Karveer Taluka which come under the jurisdiction of the Bhogawati factory. Annual Report for 1975-76 of the Bhogawati Factory state that about 78% of the shareholders are Small and

Marginal farmers. The researcher has taken the lowest figure of 73.41%. Discounting it further, it is concluded that about 70% of the shareholders of the Bhogawati Factory may be in the category of Small and Marginal Farmers.

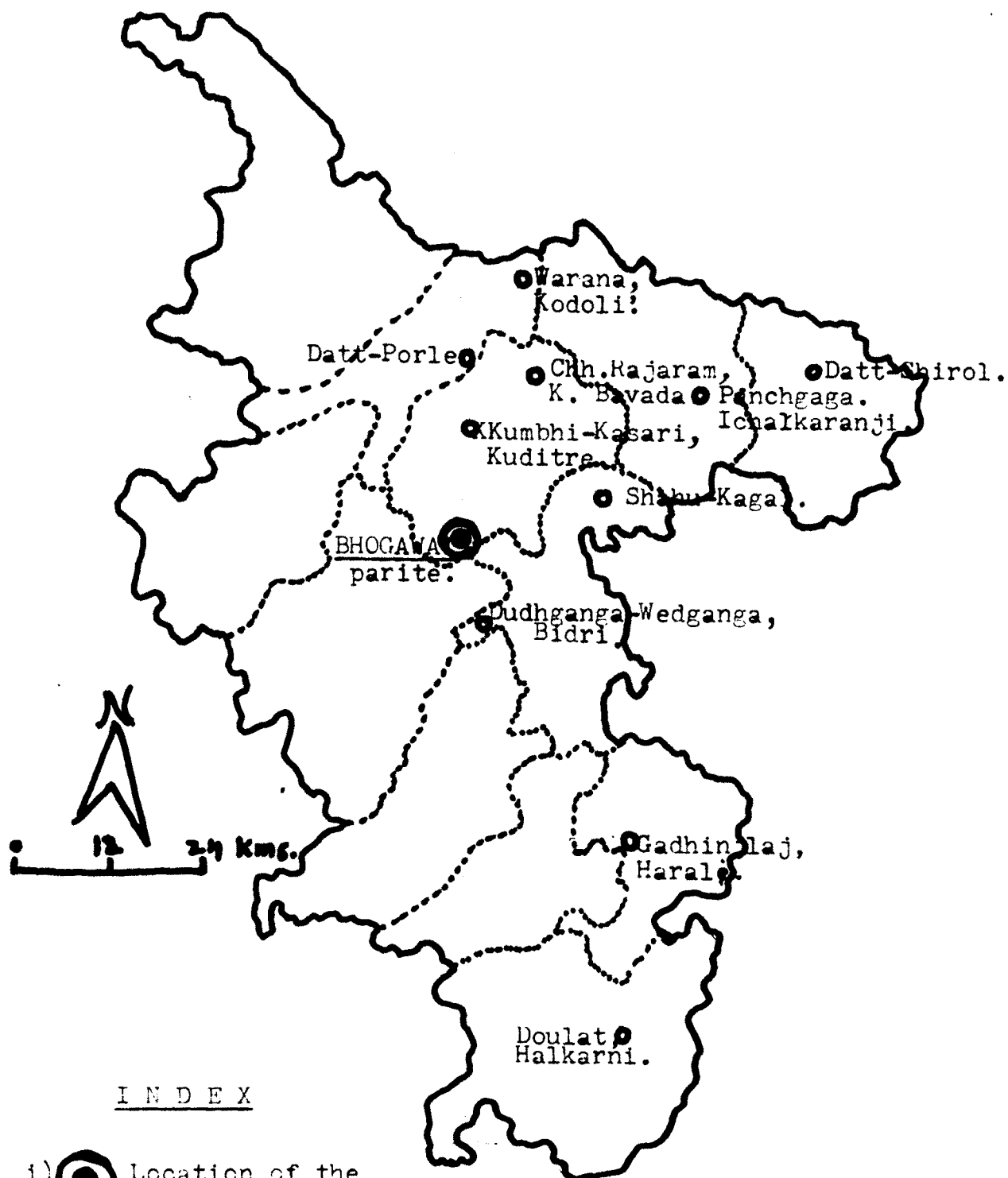
Generally, the marginal farmers have landholding upto 2.5 acres of land and the small farmers have between 2.5 acres to 5.00 acres of land. Further, some of them have subsidiary occupations like poultry and dairy farming. Most of the marginal farmers and landless labourers in the area of jurisdiction of the Bhogawati Factory are gainfully employed by the factory during the crushing season. They, thus get, seasonal gainful employment.

A map of Kolhapur District and a map showing the area of jurisdiction of the Bhogawati Factory are given.



Factors.

Sr	1981-82	1982-83	1983-84
1	7,707	7,912	7,962
	2	2	2
	49	50	50
	3,945	4,328	4,467
	-	-	-
2.	99.72	99.74	99.74
3.	438.66	483.07	521.24
4.			
	281.07	301.05	316.69
	316.02	357.55	339.42
5.			
	27.84	18.51	10.90
	143.52	543.48	101.58
6.	682.71	757.55	789.28
7.	2000	2000	2000
8.	176	201	166
9.	32.62	37.48	29.78
10.	4,25,627	4,81,273	3,74,430
11.	4,47,959	5,09,419	3,82,253
12.	5,57,100	6,24,434	4,54,420
13.	12.43	12.25	11.82
14.	94.94	94.69	94.14
15.	264.00	244.00	237.00
16.	33.32	32.52	33.63
17.	53	53	53

LOCATION MAP OF THE SUGAR FACTORIES IN KOLHAPUR DISTRICT



I N D E X

- i)  Location of the Bhogawati Factory.
- ii)  Location of the other Sugar Factories.
- iii) ... Taluka Boundaries.

MAP SHOWING THE AREA OF THE JURISDICTION OF THE BHOGAWATI FACTORY

