

Chapter-II

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Review of the Literature

In this chapter, an attempt has been made to review earlier studies relating to sugarcane farming. In fact, the issue of the financial management of sugarcane farming has been neglected. There are few studies, which have covered some issues related to rural farming. The review of such studies has been given below:

2.1 The aim of study conducted by Pol (1995) is to study the income earned and the sources of income of the cane harvesting labour and to study the problems of the cane harvesting labour's, family's and to study the migratory aspect of the cane harvesting labour.

This study mentions that the cane cutting workers in the Yashwant Sahakari Sakhar Karkhana's that they are basically migratory in nature. The economic condition of these cane cutting workers is not sound. In this field, workers the middleman is the main character who plays a very crucial role. The occupation requires equal number of male and female workers and the cane cutting work requires young persons preferable in the age group of 20 to 35 years. The workers engaged in this activity are mainly uneducated and the workers do not continue in cane cutting for long period. They engaged in this occupation only in their latter years having five to eight years of experience in cane cutting they shift to other less strenuous activities.

2.2 A study carried out by Deshmukh (1983) pointed out that the instability of the prices of sugarcane and Jaggery has created on rest among the sugarcane cultivators in sugarcane growing regions of Kolhapur District of Maharashtra. Moreover, the price of the inputs has increased while there is no corresponding increase in the price of Jaggery. In order to reduce the instability of the Jaggery industry and to make it's come stable. Intercropping was suggested Jaggery industry is an important economic activity in the Kolhapur Region, but is does not earn ever reasonable profits due to increase in the cost of sugarcane cultivation. Consequently, the supply of Jaggery has been decreasing. The study had also pointed out that intercropping and pre-planned use of the by products would

remove most of the ailments of the Jaggery industry. These two measures would supplement the income of the farmers which in turn, help the regions socio-economic development.

2.3 Sugarcane pricing in Karnataka State (Chavan 1997) has studied that the most pressing problem faced by the sugar industry is to ensure cane supplies at stable price. The cultivators find it easy to change their cropping pattern from years depending upon market fluctuations. The study is related to the pricing policy of Central Government, State Government the bases of price fixation in Karnataka. The main objective of to study the Central Government policy of sugarcane prices and to study the system under which sugarcane prices are determined in Karnataka and to evaluate the trends of sugarcane prices in Karnataka and India and to ascertain the effect of price policy on cost structure of the factories under private and co-operative hands. The data were collected by personally by conducting field work.

There are inter-regional, inter-sectoral & inter-class differences in the process of formation of the price offered by cane by the sugar industry for the more at factory level. The prices are fixed differently, the pricing of sugar cane has always been a controversial issue leading to bone of contention among the experts. The price of sugarcane should be lined to cost of cultivation. In harvesting of sugarcane, plenty of sugarcane growers are forced to delay for 4 to 5 months for supply of ratoon crops thus affecting the yield and delay in further cultivation. Therefore timely letting of sugarcane is needed.

2.4 A study conducted by Lohar and Babar (2000) revealed that the per hectare cost of cultivation of sweet sugarcane varieties A, B and C were Rs.33,922/-, Rs.48,958/- and Rs.51,349/- respectively. Moreover the major items of cost were rental value of land (25.46%) fertilizers (15%) human labour (14.97%) sugarcane seeds (9.35%) and manure's (9.17%). The average productivity of sugarcane was 91.50 tones per hectare. The per tone cost of production of sugarcane was Rs.833.63 with regard to per quintal cost of production of Jaggery. Including marketing charges come to Rs.1140.50 The major items of cost were the value of raw material i.e. sugarcane (67.24%) followed by human and bullock labour (13.27%) hiring charges of Jaggery shed, machinery and other's (10.04%). The cost

2.6 A study carried out by Jaswant Singh (1999) examined different issues such as cane. Stalling, recent developments in crushing technology, juice clarification preparation of different forms of Jaggery, Jaggery storage and packaging. It was revealed that the losses occurring at different stage of sugarcane processing for Jaggery manufacture vary from place to place and from operation to operation and these were found to be as 2% Jaggery, 1.2 – 2.8% sugarcane, 13.20% cane juice and 1.2% Jaggery, corresponding to stalling, drainage, extraction, concentration, transport shortage and distribution, respectively. Therefore efforts should be made to reduce them.

2.7 A study focuses its attention on the pricing policy of sugarcane in private as well as co-operative sugar factories. The process and methodology of sugarcane pricing has been reviewed of the levels of Central Government, State Government and factory level's. At the central level the Apc. Now CACP recommends the minimum sugarcane price's every year. At the state, state administered prices are fixed. At the state level prices of the sugarcane are fixed in the ministerial meeting every year. And at the factory level the final prices are fixed by considering the factory's performance during a particular year objectives of this study to review of methodology of sugarcane pricing and it's policy and to study the role of State Government and State intervention in determining the sugarcane pricing and it's policy and to compare the cost of production, recovery and other items of sugar industry in private and co-operative sugar factory's. Lastly concluded that there is no definite relation between cost of sugarcane cultivation and price of sugarcane. The market of sugarcane is different from that of other agricultural commodities. Sugarcane prices care not determined on the open bidding at any organized markets for and solving the problem of inadequate supply of sugarcane to the sugar factory long term planning is essential.

2.8 The study carried out by the R & D staff of the Ugar Sugar Work's Ltd. Ugar-Khurd (1989) examined the issue of sugar losses in the open pan method in Jaggery making and also for the stabilization of sugar recovery and maximization of sugar production in the country. The experiences at the Jaggery making plants based on sugar mill extraction at Jaknur in Jamkhandi Taluka of Karnataka State were highlighted. In the conventional method of Jaggery and Khandsari making a

3 ors rollers crusher is used for extracting only 55.60% juice in the sugarcane, while if the same quality cane is processed in a sugar factory plant, where 12 to 15 roller's mill plant is used for extracting 80.82% juice in the sugarcane. This clearly showed that at least 25% of the available juice in the sugarcane is lost due to poor extraction and is burnt as fuel in the open pan process considering the total quality of sugarcane production. The wasted or burnt sugarcane wastage is a great national waste which can be eliminated. If the sugar factories manufacture Jaggery also. As the Jankur Sugar Factory lacked the know how of Jaggery making. The quality of the Jaggery production by it was not up to the mark. However, after gaining experience for the next 6 years, this Jaggery plant supplied large quantities of Jaggery to the manufactured group in the year 1972 for the manufacture of Sukhadi that was distributed by the Government. In the drought areas of Maharashtra State. The study suggested that if the Jaggery is manufactured by the sugar factories, the overall demand of Jaggery which is more or less, constant would be met by consuming only 70% sugarcane, rather than what is required by the conventional open pan process. It mean's that 30% of sugarcane going to Jaggery manufacture will be diverted to sugar manufacture depending on demand. If sugar factories are permitted to manufacture Jaggery. Government can control its manufacture earn extra revenue from excise and cane purchase tax. The extra income will benefit the farmer's also. As a result it will bring positive results in terms of maximization and stabilization of the sugar production in the country.

2.9 The study carried out by Avinash Mantri (2003) in his article extremely less advance money to can cutting workers explained that the sugar industry have been given very less advance amount to the can cutting workers expecting less sugarcane for this season. Therefore can cutting workers will not be able to celebrate Diwali Festival this year. These workers also manage their family's expenditure from this advance. As this is not given this year the workers would have to depend upon 'Employment Guaranty Scheme' work.

Mantri also pointed out that the Mukadam are also inter able this time, who work as mediator between the workers and sugar factory. They become helpless as on the one hand, factories are not giving advance money, secondly workers are

not ready to wait for money and on the other hand they have to face the nagging money lenders everyday from whom they had taken loan's to give to the farmers.

2.10 A study carried out by Kamble (2005) pointed out sugarcane harvesters and cane transporting labourers are one of the most deprived and under privilege segments in Indian sugar factories, the researcher concentrate on is to evaluate the socio-economic problems of sugarcane harvesters and cane transporting labour and to study the role of Government and NGO's and to illustrate the history of their organizational set up and to find out the areas where improvements are required regarding work conditions and welfare schemes, he can selected labour and harvesters only Beed, Jalna, Aurangabad, Parabhani, Osmanabad and Latur. This labour come from backward caste's such as OBC, NT and SC. This researchers are getting this information through 'Random Sampling' with the help of questionnaire as well as interview with the selected persons in the field. The limitation of these study covers period of one decade i.e. from 1995-96 to 2004-05.

This class plays an important role in the growth of economy in a way these labourers are nervous system of the sugar industry. The sugar industry has played an important role in this growth. But first and basic thing of sugar industry is harvesting. Sugarcane harvesters and cane transporting labourers have much value equal to that of production in any field. But they have been ignored by the Sakhar Sangh and every sugar factory, Mukadam's, Non-governmental organizations and also by the consecutive Governments.

2.11 A study on the problems of seasonal workers in sugar factory for the purpose of the study is an attempt to understand in present study and the problems and difficulties of seasonal workers in the sugar factories, such as recruitment, training, wage structure, working conditions welfare facilities and employment problems during the art season. The aims of the study is to know the working conditions of seasonal workers and to know the social security provided by sugar factory and educational background to the seasonal workers, and to study the employment problems of the seasonal workers caring the off season.

The area of the study is only 10% of the total seasonal workers are selected. The interview schedule methods are used to getting information. He also fined

that of this study is found that there were only male respondents. In this sugar factory majority at seasonal workers that is 92% are married. It is found that 47% and 42% seasonal workers are educated up to primary and secondary standards respectively. It is found that majority of seasonal workers that is 36% have put their service for 11 to 15 years and 30% have put their service 6 to 10 years. He suggest that the working period of the seasonal workers is 6 to 7 month's. So the factory has not provided housing facilities to the majority of seasonal workers. The factory should build more but for the seasonal workers. There are number of seasonal workers working in the sugarcane factory for more that 10 years or so but still they are no promoted and made permanent. The factory should try to give them job and a permanent basis. So that they can well settle their like. A separate room should be provided during the internal period to take meals how the workers sit anywhere in the premises or the factory for their lunch.

2.12 The study carried on Patil (1998) this study mentions that the working pattern of factory and to financial condition and financial performance of the study and to find out ways and solution to overcome. If factory has any problem and to suggest ways & means to overcome the weaknesses in the present working. If any, the data are collected the information through discussion with authorities, officers, inspection of record and observation. Limited to 6 accounting years starting from 1986-86 and end with accounting year 1991-92. These study is factory is not able to meet its current obligations because credit strength of factory is not good due to the shortage of working capital factory is relay upon creditors funds which is always weakness of the factory. In every years factory has not used it production capacity at full, only near 75% capacity has been used. It results in more operating expenses and low use of capacity. He suggest that in such cases factory is to bring more funds and thereby increase the tangible assets. If the factory could not find additional capital. The sales should necessarily be reduced and impose strict credit control and pay more attention to the collection of debts. Investments in fixed assets should be maintained as low as possible and factory should retain substantial part profit by way of reserves to increase it tangible worth. Factory should use its production capacity as high as possible factory should provide incentives to the sugar cane producer to produce more sugarcane and also should

provide pesticides, new seeds of sugarcane. And also factory should promote the members to establish lift irrigation scheme.

Conclusion:

After review of earlier studies on agriculture it is found that most of them are related to either source of income or cost cultivation. Some of them are related to pricing policy, workers problems or labour cost order file the problems of seasonal workers and financial performance of sugar factories. It reveals that is gap of research of financial management of sugarcane farming as far as empirical studies are concerned. So the present researcher decided to conduct the study on the present theme.

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