

## CHAPTER-5

CHAPTER - V

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FINDINGS AND ANALYSIS

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Shetkar Sahakari Sakhar Karkhana  
Ltd., Dhoki
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This chapter deals with the analysis and interpretation made in respect of management process adopted by Terna Shetkari Sahakari Sakhar Karkhana Ltd. Dhoki, Dist. Osmanabad. An attempt is made to find out the causes of various problems existing in the organisation.

### PART - A

#### MANAGEMENT PROCESS ADOPTED BY TERNA SHETKARI SAHAKARI

#### SAKHAR KARKHANA LTD., DHOKI.

#### PLANNING :

This organisation is adopting the planning function, as well the activities start with objectives. We find the objectives of this organisation are well laid down as per its bye-laws.

Planning of Terna sugar factory, consists of the following :-

- 1) Assignment of total cane available for crushing.
- 2) Schedule and arrangement for harvesting and transport of cane.
- 3) Forecast about the duration of season with dates for commencement and stoppage of crushing operations.
- 4) Arrangements for supply of stores material.
- 5) To keep the factory ready after carrying out off season, repairs and overhauling on due date of commencement of season.

- 6) Number of 'shut downs' for cleaning and planned maintenance.
- 7) Forecast about recovery and expected production of sugar.
- 8) Projected cost of production, profitability, estimates and anticipated price for sugarcane.
- 9) Review of storage capacity for finished product and arrangement for working capital etc.

Regarding the types of planning, it has been observed that all the types of planning is done such as financial, administrative, operative, short term as well as long term.

Organisation has its own planning and development department for preparing it's various plans for soil testing, water facilities, quality seeds and fertilizers, inter village roads and approach roads in its area of operation, technical assistance for employees and farmers, plan for marketing of sugar etc.

Organisation also plans for increasing the productivity of sugarcane by providing new variety of cane seeds, fertilizers at cheaper rates, subsidy for digging wells and borewells, arranging soil testing programmes etc.

Organisation plans for maintaining the proper sugarcane records such as total acreage under sugarcane, dates of planting, type of soil, cane varieties and special difficulties in transporting cane to factory etc.

The organisation being a seasonal unit, it requires huge working capital. It is required for the day-to-day affairs of

organisation. It is estimated by taking into account the factors like registered acreage of cane, availability of cane for crushing, payments of labourers, advance payment to cane growers; harvesting and transporting expences etc. The need of working capital is fulfilled by taking short term loan from Maharashtra State Co-operative Bank, Bombay.

Organisation takes loan by four ways :-

- 1) Possession mortgage loan (loan on mortgage of sugar in godown).
- 2) Loan on the mortgage of machinery and spare parts in godown.
- 3) Simple loan (loan for the payments of labcurers and other expences after crushing season).
- 4) Pre-season loan (loan for purchase of spare parts, advance payments to labour contractors, repairs to bullock-carts, trucks, tractors etc. before commencement of crushing season).

Man power planning is being made by considering the total sugarcane acreage and expected period of crushing. Total number of employees (permanent, seasonal and daily) were June 1986 - 1036, June 1987 - 987, and June 1988 - 975. In addition to this many labourers are required for harvesting and transporting activities. The total number of labourers (on bullock carts, trucks and tractors) were - in 1985-86 - 4,800, in 1986-87 - 6,504 and in 1987-88 - 1,120.

The above figures indicate fluctuations in the number of employees and labourers. This is due to change in acreage

under cane cultivation and crushing period.

It has been observed that though there is planning department, it does not function efficiently. In this organisation, planning is not given more importance.

It is also found that though the organisation has the plans developed, its execution seems to be unsatisfactory which is evident from the cross examination, the farmers have pointed out that the technical assistance about soil testing, quality seeds, fertilizers and improved methods of cultivation are inadequate.

The need of planning is essential for the implementation and achieving the objectives. In the organisation, cane development depends on motivation of a large number of farmers and financial resources and organisational skills have to be obtained from a limited area. Proper planning is of greater importance in this organisation too.

Planning for maintenance of the plant is important for the smooth running of the organisation. Proper maintenance is possible by providing a gang of maintenance men and oil-men. It is the responsibility of the foreman to ensure that lubricant reaches all the point and is adequate. Maintenance requires not merely mechanism but capable men.

This factory makes weekly maintenance 'shut down' and also the monthly 'shut downs', so that all the essential parts

are checked properly. Tuesday is the cleaning day of the factory for every week in crushing season. On this day all mechanical equipments are checked, repaired and oiled by the technical departments. But it is observed that the technicians are not taking proper care of machinery and other equipments. Hence, sometimes the factory remains closed for one or two days.

#### ORGANISING :

This organisation has adopted the functional division structure. The employees are well aware of the organisational structure. So this structure is found to be useful and suitable for the organisation as it facilitates specialisation with clear demarcation of duties, area of operation and man power for each function. The various functional departments consists of

- i) General Administration Department
- ii) Accounts Department
- iii) Agricultural Department
- iv) Civil Department
- v) Personnel Department
- vi) Engineering Department
- vii) Manufacturing Department
- viii) Distillery Department
- ix) General stores Department
- x) Security Department and
- xi) Medical Department.

#### Organising Cane Area :

The operational area of this organisation includes 164 villages, scattered in a radius of 15 miles. These villages are grouped into 16 circles (zones). Each circle consists of 8 to 12 villages having an area of about 800 to 1,000 acres under sugarcane. One trained and qualified Agricultural

Assistance is stationed in one of the villages of every circle. A group of 4 to 5 circles is supervised by the Agricultural Officer. The Chief Agricultural Officer is incharge of the agricultural section of the factory.

Again these 16 circles are sub-divided into bullock cart, tractor and truck circles to facilitate the harvesting and transporting of cane. It facilitates full control on harvesting and transporting activities. At every harvesting centre one slip-boy supervises the harvesting of cane and issues agricultural slips to the loaded bullock carts, trucks and tractors to be sent to the factory. All these activities have smoothened the work and enhanced the efficiency of harvesting and transporting.

#### Maturity Test of Sugarcane :

Maturity survey is necessary for the optimum sugar recovery. Therefore, the plots which shows higher sucrose are selected for crushing. With special type of punching needle with a small bottle attached to it is used for collecting the juice samples. The ratio of brix readings obtained from the top and bottom internodes is the best guide to judge the maturity of cane. The cane is fully matured when the ratio is one. This maturity survey is taken from the sugarcane plots 15 days after the irrigation is stopped. The collected juice is analysed in the factory laboratory. On the basis of the laboratory analysis, the

harvesting programme is chalked out. Firstly, well riped sugarcane plots are harvested. This process goes on till the end of crushing season.

Transporting Sugarcane :

Harvested sugarcane is transported to factory either by bullock carts, tractors or trucks. Generally, sugarcane upto 10 kilometers away from factory is transported by bullock carts. Tractor transportation is also useful upto 50 kilometers. Truck transport is the best, where the roads are good.

A contract of transporting cane is given to private contractors. A contractor known as foreman or mukadam takes the advance from factory and distributes it to his labourers or cartholders. In this way he makes a fleet of about 10 bullock carts and assures to transport cane to factory upto the end of cane crushing season.

Similar type of contracts are made with truck or tractor owners. They also collect the labourers for their truck and tractors for harvesting and transporting.

The factory pay the decided amount to the contractors who in turn pay to the labourers every week. Factory also provides foodgrains to labourers at concessional rates. Shelter (huts) equipments, is provided during season.

After completion of successful harvesting season, factory rewards to labourers and contractors. This encourages

the worker to work more. The contractors or gang boss solve the problems, if any, of labourers on their own side.

#### Organisation of sugar production by-products and

#### Storing of Sugar :

Harvested sugarcane is brought to the factory with the help of bullock carts, tractors and trucks. After weighing the cane, it is then thrown in the cane carrier belt for crushing. Sugarcane after being crushed and passed through the mill leaves juice and bagasse. Juice is boiled through six mill plants. After making various process on it sugar is produced. Sugar is filled up in bags and then it is transported towards the godown which is located within the factory premises.

The principal by-products are bagasse, molasses and press mud. At present, bagasse is almost entirely used as fuel for rising steam.

Molasses is utilised for manufacture of alcohol. Factory has its own distillery plant. Country liquor named 'Bharari' is produced in it. It is exported in the foreign market.

Press mud is used at present as manure for fields. It is distributed to farmers free of cost. Factory takes only transportation cost of press mud from farmers.

#### STAFFING AND TRAINING :

In the year 1987, there were 531 permanent employees, 382 seasonal and 74 employees on daily wages. While appointing

the staff, advertisement is given in news papers, trade magazines and list of the candidates is called from Employment Exchange and required staff is filled up.

However, it is also observed that some of the posts are filled up on the recommendations of Directors or Chairman. Therefore, qualified and experienced candidates do not get the opportunity of job in this organisation. This results into inefficiency.

It is found that this organisation has not filled up some of the posts. The causes behind these are non-availability of well qualified, experienced and trained candidates.

This organisation provides training facility to its employees whenever it is needed. Training methods adopted by the factory are - on the job training, off-the Job training, job orientation, deputing the candidates for a specific period. The training period is of one week to one year. Generally, training is given to supervisors, foremen, chemists and other technicians. But according to the opinion of most of the employees, the present training facilities are inadequate. In the last two years, only two employees were sent on deputation for training. Most of the employees demanded that the training should be given on-the-job and deputing the employees for a certain period.

MOTIVATION :

The employees in the organisation are motivated in the form of kind and money. The employees who are sincere, hard worker, honest, punctual and loyal to their work are rewarded and promoted by the organisation.

On the contrary, it is also observed that some of the hard working, punctual and sincere employees are neglected by the management. It is very sad thing. Some of the employees were harrassed by the management due to bonus strike made by them in the year 1983-84. Many of the strikers were suspended by the management. It created fear and unsecurity in the minds of workers.

PROMOTION :

This organisation provides promotional changes to its employees. Generally, the promotions are based on seniority-cum-merit basis. This encouraged the morale of employees.

After cross examination, it is observed that some of the promotions were based on nepotism.

COMMUNICATION :

Mesaage is being conveyed through various ways and means such as giving oral instructions, written instructions, group information, circulars and notes. The superiors give instructions to their employees. So that the employees can do their work

efficiently. These superiors use different medias for communicating their subordinates as mentioned above.

We found some barriers in communication process of the organisation like lack of clarity, lack of interest of people to receive message, lack of time, negligence of employees, ill-literacy of workers and farmers etc.

DIRECTING :

Directing function deals with the steps that a managing director takes to get the subordinates and others to carry out plans and programmes. It bridges the gap between managerial decisions and actual execution by other people.

Supervisors assign work, delegate authority, create obligation and accountability for performance among the subordinates at various levels in the organisation structure. They perform the entrusted task with given rights and power giving the account of their performance to the superiors.

Every departmental head directs and supervises the work of his subordinates. It implies the superiors keeping a close watch on the subordinates performance with needed guidance and direction in relation to assigned tasks and process of doing them.

Official decisions relating to various aspects are conveyed to the concerned employees through circulars and

orders. Order constitutes a highly important part in the process of direction. The purpose of an order is to get the thing done. Therefore, it is the duty of the manager to issue lucid and simple order.

It has been observed that the organisation having eleven different departments headed by each individual for each of these departments, giving direction with the concerned activity.

#### AUTHORITY AND RESPONSIBILITY :

Authority in this organisation flows from top to bottom. Terna sugar factory has established eleven various departments for the smooth functioning of the organisation. Decisions regarding the policy matters are taken in the Annual General Meeting or Extra Ordinary General Meetings of the Shareholders. Board of Directors is empowered to organise the whole activities of the organisation. Chairman of this organisation enjoy full authority. He delegates his authority to the Managing Director. Managing Director looks after the day-to-day operations of the organisation. Managing Director delegates corresponding authority to all the departmental heads such as General Administration Department, Accounts Department, Agricultural Department, Civil Department, Personnel Department, Engineering Department, Manufacturing Department, Distillery Department, General Stores Department, Security Department and Medical Department.

General Administration Department :

Secretary is the head of General Administration Dept. Again there are six sub-sections such as typing, establishment, planning and development, legal, purchase and vehicle. Office Superintendents supervises all these sections. He gives corresponding authority to all these sectional heads to perform their duties. Sectional heads are held responsible for their sections performance. Sectional heads take routine decisions in consultation with the office superintendent.

Accounts Department :

Chief Accountant is the head of the department. Deputy Chief Accountant assist him. Again there six sectional accountants are working such as finance, store, distillery, cane, petrol pump, guest house. Under all of them requisite staff is appointed. Chief Accountant delegates authority to Dy. Chief Accountant and Dy. Chief Accountant delegates authority to his sub-sectional heads. Sectional heads are responsible for their section about the faulty account maintenance. Chief Accountant is responsible for the whole accounting of organisation.

Engineering Department :

The Engineering section headed by the Chief Engineer is responsible for both the maintenance of plant and equipments and efficient production from the cane milling section. The

Chief Engineer is assisted by six assistant engineers of different sections. Chief Engineer makes the allocation of duties, responsibilities and limits of authority.

Manufacturing Department :

The Chief Chemist is assisted by five sub-sectional heads such as Laboratory Incharge of Laboratory and Office, Manufacturing Chemist of process juice section, manufacturing chemist of Pan section, manufacturing chemist of Centrifugal section, and godawon keeper of Sugar Godown. All these sectional heads are authorised from their chief Chemist to do their work. All of them take important decision in consultation with the Chief Chemist. Every manufacturing chemist is held responsible for his section. Cleaning and painting of boiling house equipments is supervised by Manufacturing Chemists.

Similarly, as the organisation chart depicts the various sectional heads enjoy the authority for getting the work done from their sub-ordinates falling within their jurisdiction.

Each of the departmental heads give the daily reporting to the Managing Director who in turn keep the Board of Directors informed from time to time.

Finally, observing the pattern of authority and responsibility in this organisation, we find that the authority has been totally decentralised and the delegation of authority has taken place to the maximum extent.

CONTROLLING :

The superior officers adopt various measures for controlling the activities of the organisation. The employees who fail to perform their duties as directed are punished. In extreme cases, like committing fraud, absentecism, total negligence of work, they are suspended, demoted or terminated.

The proper control at the time of harvesting reduces the burden on sugar factories to crush immature cane portions. For this purpose, the factory strictly follows the harvesting programme based on maturity studies and nobody is allowed to change it.

Every harvesting centre is given a fixed quota per day and the slip-Boy stops harvesting after the quota is fulfilled so that cane harvested during the day is all transported before harvesting is restarted on the next day. Reports from all the Slip Boys, reach the factory by 8 p.m. per day and if there is excess harvested cane at any place due to some reason or the other, additional transport is arranged to lift the cane. Thus, the harvested cane is all crushed within 24 hours.

Transport Schedule :

Transport Schedule maintains a steady flow of sugarcane from the field to the factory. At Terna Sugar Factory  $\frac{1}{3}$ rd of the total cane is transported by the bullock carts and  $\frac{2}{3}$ rd by the trucks and tractors. Both of them have different time

schedules. Due to time schedule, the detention time of bullock carts, trucks and tractors is minimised.

Production Control :

Production control in the Terna Sugar Factory relates to the following areas :-

- i) Raw material control,
- ii) Accounting Control,
- iii) Efficiency Control,
- iv) Operating Control,
- v) Quality Control for finished product - sugar, colour, crystal and weight and
- vi) Budgetory Control.

As we find the organisation adopts the above mentioned controls. In case of disparity between the targets and actuals necessary measures are taken to rectify the differences. For instance if there is disparity between the targeted (quantity) raw material and the actual raw material received necessary steps are taken such as in case of less quantity of cane in operational area is received than the target quantity, gate cane sugar is called for (cane purchased from the outside operational area of the factory).

If the situation is reversed the crushing period is increased.

Similarly, for each of the other controls proper balance is struck between the actuals and the budgets by taking necessary action with each of the concerned activity.

#### PART - B

#### ALTITUDE OF THE EMPLOYEES TOWARDS THE MANAGEMENT'S PERSONNEL POLICIES

The following are the attitudes of employees collected with the help of structured interviews. 100 employees were interviewed, selected on simple random basis representing all departments of the organisation.

#### Wages and Salaries :

100 employees were interviewed to identify their attitudes towards the wages and salaries paid by the organisation. The structured interview technique was used for this purpose. Out of 100 employees 70 of them were not satisfied with the salaries and wages paid by the organisation, while the rest of 30 employees were satisfied with the wages and salaries received by them. It is felt by 70 of the dissatisfied employees that the salaries and wages are limited to satisfy the basic needs only.

#### Canteen facilities :

Organisation has provided canteen facility to its employees. All the employees are satisfied with the canteen facilities provided by the factory.

Medical Facilities :

It was observed that out of the total medical expences borne by the employees the organisation reimburses 50 percent of the total expences.

Housing facility provided by the factory :

Organisation has constructed housing coloney for its employees. This facility is provided to the permanent employees. Employees are satisfied with this facility.

Loan facility :

Organisation provides loan to its permanent employees upto Rs.15,000/-. The rate of interest on loan is 14 percent. The loan facility is availed from the Employees Credit Co-operative Society after fulfilling the required formalities.

Educational facility for children :

This organisation does not have its own educational institute. But with the help of Zilla Parishad, Osmanabad, factory provides educational facility upto 7th Std. One Polytechnic College is run by 'Terna Charitable Trust' in factory campus. 80 percent of the employees are satisfied with this facility and remaining 20 percent are not satisfied with this facility. Because only technical education is not sufficient for all the employees and also it is not free of cost.

Participation :

At present, there is no worker's participation in management. Taking this into consideration, the 100 interviewed employees, 70 percent employees were interested in management. 30 percent of them were not interested to participate in management. They fear that if they participate, management will harrash them.

Of the 70 percent employees 60 percent were ready to participate in management as Director and 40 percent were interested to go through works committee on the Management Board.

Complaints of the workers :

The complaints of the employees were mainly about payments, promotion policy, leave facilities, weekly holidays and behaviour of the superiors.

Promotion policies :

70 percent of the employees are not satisfied with the promotion policy of the organisation, 30 percent of them were satisfied about the promotion policy. Basis of promotion is found to be on seniority, qualification and evaluation of work. But the employees strongly feel that the promotional policy presently adopted is purely discriminatory i.e. nepotism.

Training facilities :

All the employees were ready to get training whenever required. 50 percent employees were of the opinion to be sent them on deputation for training, 30 percent were interested to get training within the factory. 10 percent were interested in apprenticeship and 10 percent were ready to get training on-the-job.

It is observed that the factory is not much interested in training activities. Training is given only for limited employees.

PART - C

ATTITUDE OF THE FARMERS

The information has been collected with the help of a questionnaire which was administered. The sample size taken was 100 farmers which were selected on simple random basis. While selecting the sample of 100 farmers care was taken that this sample represents the whole area of operation as well as different categories of farmers such as small farmers, marginal and large farmers.

Seeds and Fertilizers :

Out of the 100 farmers 70 of them avail the facility of getting seeds and fertilizers from the organisation. While

the rest of 30 farmers do not avail any such facility. The reason for this being that these farmers are not aware of the distribution of seeds and fertilizers undertaken by the factory.

Satisfaction with sugarcane price :

Out of the 100 farmers 90 of them are not satisfied with the price paid by the organisation. However, only 10 farmers are satisfied with the price paid by the organisation. The reason behind this is that the recovery of sugar is low and organisation is of the opinion to increase the capacity of the plant and other developmental schemes by which the price paid for sugarcane is not satisfactory.

Water facility for farmers :

Out of the 100 respondents 25 of them get the water facility from the organisation. Rest of 75 farmers do not get any such facility. Reason cited for this is due to the inability to provide water facility to all the cane growers.

Awareness of modern sugarcane cultivation technique :

Twenty of the respondents were well aware of sugarcane cultivation methods. Eighty of them were not aware of the improved cultivation methods. The reason cited for this is due to the ill-literacy of the farmers and lack of adequate qualified personnel with the organisation to impart the knowledge to these farmers.



Sugarcane seeds and transportation facilities :

It is observed that 80 percent of the farmers get the improved cane seeds at concessional rates and 20 percent of the farmers do not avail this facility. Because their method of cultivation is found to be old and they were not interested in improved seeds. They were already having their own seeds in their farm.

Improved quality plants :

It is found that all of the interviewed farmers got the improved quality plants like Nilgiri, Subabhul, Coconut, Mango, Dalimb etc. However, factory is unable to provide ample plants to farmers because its seed and plantation farm is limited.

Financial assistance to purchase livestock :

Out of 100 farmers 15 of them got the financial facility for the purchase of cow, buffalo, goat and loan for poultry and dairy. While rest of 85 farmers do not avail any such facility.

Agricultural equipments :

Factory provides agricultural equipments only to 10% farmers. Remaining 90% of the farmers not received any such equipments from the organisation. Previously, this factory was provided to some extent but presently this scheme is not

in existence. At the same time it has been told by the farmers that they arrange their own agricultural equipments.

Sugar at concessional rates :

It is found that the organisation is providing sugar twice in a year at concessional rates i.e. 25 kg. during Gudhi Padwa and 25 kg. during Diwali. All members enjoy this facility. In addition to this the factory provides sugar at concessional rates to the farmers on special occasion such as marriage ceremony, thread ceremony, birthday etc. The concession is given in the form of reduced price differing from the market price to the extent of Rs.1.50 to Rs.2.

Guarantee to Bank for the farmers loan :

Organisation gives guarantee to co-operative and nationalised banks for the loan provided by them to farmers. Loans like cash crop loan, loan for digging wells, loan for levelling the land, pumpset etc. are provided by banks.

Study tours of the farmers :

Every year, the factory is planning for tours of farmers at various cane research centres in the country; particularly, the factory arranged tours at Cane Research Centre, Padegaon, and Cane Research Centre at Falkewadi. Every year this facility is given to limited members. 40% of the respondents have visited the above research centre and remaining are yet to visit.

Programmes like Eye camp, Family planning camp,

ENT camp etc. :

Factory arranges family planning camps on its campus every year. Twenty percent farmers and other members of the society participated in these camps and remaining 80% were not adjoined such camps as they get such facility in open camps arranged by the Government Hospitals, Lions Clubs etc.

Harvesting and Transporting of cane in proper time :

Out of the 100 interviewed farmers only 20 farmer's cane was not taken in proper time by the factory and 80 farmers' can was taken in proper time by the factory for crushing. It has been proved that whenever there is more acreage of sugarcane and if there are less means of transportation and labourers, such delays will take place.

Borewell and Blasting scheme :

Out of the 100 farmers 60 farmers enjoyed the borewell and blasting scheme facility of the factory. But 40 farmers have not enjoyed the benefit of this scheme. Factory has given concession to farmers for borewell and blasting at the rate of Rs.5/- and Rs.10/- respectively per feet.

Soil Testing :

At present 70 farmers out of 100 are availing the soil testing facility while rest of 30 do not avail any such facility.

It is observed that the factory is not taking much more interest in soil testing.

Social welfare activities :

The responses for the social welfare activities undertaken by the factory is to the extent of 35%, while the rest of 65% have responded that no such welfare activities are provided in their villages.

PART - D

OTHER FINDINGS

Apart from the previous indicated survey findings this organisation is facing some of the following problems which were identified while discussing with the management, officers, employees and farmers.

- 1) Decrease in production : The main irrigation source is well water in this area. But due to the drought position since last three years, water supply was acute. Therefore, the acreage under sugarcane declined. It affected the productivity of sugar during last three years.

Due to less rainfall, farmers diverted their attention towards other cash crops like grapes, dalimb, oil seeds etc. requiring less water. This also caused to decline in sugar productivity.

In addition to the above, we find some other reasons of decline in the acreage under cane cultivation such as always power cutting, lack of reasonable price to cane, neglecting policy of organisation towards cane cultivator, use of sugarcane for Khandsari, Gur, seeds etc.

2) Decrease in recovery :

The quantity of sugar manufactured from one metric ton of cane is known as recovery. It is found that there is continuous fluctuation in the percentage of recovery. In some years, the recovery is more and at other time, the recovery percentage is less. If the proportion of sucrose is more in sugarcane, it increases the sugar production. Recovery decreases due to improper use of seeds, low water supply and improper methods of cultivation.

It is observed that the majority of the farmers are not using quality seeds, fertilizers, pesticides and improved methods of cultivation. These are the main causes of less recovery.

The basic reasons cited for the above problem are lack of awareness among the farmer members about the existance of improved quality seeds available for distribution with the factory and secondly failure of the organisation to distribute aggressively the improved seeds to each and every farmer member in the operational area.

3) Crushing days are decreasing :

Terna sugar factory commences its crushing in the month of October/November and closes in the month of April/May every year. But it is observed that the optimum sugar recovery period is of 5 months i.e. November to March. Crushing should be done in this period only. Crushing days are declining due to improper planning and organisation. Number of problems arises due to unstable crushing days such as labour unemployment, less use of machinery, improper use of transportation means, fuel wastage etc. All these ultimately affects the sugar production.

4) Government policy :

It is heard from the management side that the state and central government's policy is unfavourable to sugar industry. Out of the total sugar production, 55% sugar is levy sugar purchased by Central Government and balance 45% sugar is treated as free sale sugar. And Central Government -controls this free sale sugar. It is obligatory sugar factory to sale sugar by tender method and not on its own willingness

Sugar factory is not getting reasonable price from central government on levy sugar. Also, factory has to bear sugar transportation and storage expences. Maharashtra Government imposes sugarcane purchase tax from Rs.2/- to Rs.20/-

per ton. Presently, Maharashtra Government charges Rs.16.60 sugarcane purchase tax. This tax is not found in some states and very low in some states.

Due to all these reasons this sugar factory cannot pay more price to sugarcane.

5) Inadequate sugarcane for crushing :

Factory is facing this problem since last two years. This is a new born problem before the factory. The initial crushing capacity of factory was 1250 M.tons per day. Considering the need, factory firstly increased this capacity upto 1800 M.tons. Then it was increased upto 2200 M.tons per day and now it is 3500 M.tons per day. Crushing capacity increased and natural calamity like draught since last two years continued. It declined the sugarcane acreage. Secondly three sugar factories in the neighbouring areas established. This also caused inadequate cane supply to the factory.

In times of better prices, more of land comes under sugarcane, while in times of lower prices, acreage under sugarcane, sometimes, gets shrunk.

6) Other problems :

Inadequate water supply to factory, continuous power cutting, increasing prices of chemicals, fertilizers, agricultural equipments, pesticides, increased cultivation,

harvesting and transporting cost are some of the major problems before this factory. It is the demand of cane growers to get reasonable price and in time payment of their cane. There are many cuttings through the payment of members. This created nervousness among the cane growers. All these things has badly affected the sugar productivity.

7) Agricultural section :

It is found that the agricultural section has not been able to establish complete contact and communication with all the producer members. Hence, yet cultivators are not able to make the necessary improvements in agricultural practices and yields.

8) Agricultural labourers :

Now adays, it is found that the labourer has become impatient, restive and much more conscious of their rights than their duties. It is observed that the labourer with increasing wages does less work and has become very indisciplined.