

CHAPTER - V

**SUMMARY OF THE FINDINGS AND
POLICY GUIDELINES**

5.1 Summary of the findings:

Co-operative sugar factories in Maharashtra have played very important role in the rural development. Co-operative sugar factories have made tremendous progressed after independence. Factors such as government policies, irrigation facilities, new varieties of sugarcane, application of co-operative principles, are responsible for the growth of factories.

In Kolhapur district the Gadhinglaj Taluka co-operative sugar factory Ltd. Harali has been playing vital role in development of its area of operation. The factory provided employment opportunity. It generates saving in the area of operation. In the initial period factory had been facing many problems particularly in respect of supply of sugarcane, water. But due to proper management factory succeeded in procuring sugarcane from outside and from outside the state. Factory also took efforts for improving area under sugarcane cultivation.

Following are the major findings of the study:

1. Because of application of co-operative principles of open membership. The membership has countiously increased. In 2002-2003 the total number of members were 15295. The member are availing the facilities such as supply of seeds, fertilizers, new techniques of cultivation due to which economic condition of farmers has improved.



2. **Crushing capacity of factory has also increased from 120.251 M.T. in 1979-80 to 403.322 M.T. in 2002-2003. The total production of sugar has also increased from 127.75 thousand quintals to 483.50 thousand quintals in 2002-2003.**
3. **The factory has also maintained sugar recovery ranged from 10.64% to 12.21% during 1979-80 to 2002-03. The factory has received three prizes and awards in high recovery zone for the year 1992 at National level and State level.**
4. **The factory has given higher prices to sugarcane growers as compared to other factories. In 1979-80 sugarcane price paid by the factory was Rs.240 per tonne which is increased to Rs.810 per tonne in 2000-2003.**
5. **The area under cultivation was increased from 3380 hectares in 1979-80 to 7082 hectares in 2002-2003. Factory has established quick transport facility for transporting sugarcane from the place of production to the factory in minimum time.**
6. **Factory has taken efforts for development of the area of its operation. It provided facilities such as school building, running hospital, financial assistance, development of rural road, etc.**

7. In 1979-80 the share capital of the factory was 1.91 crores in which government share was 76.16%, ^{and} producer members contributed 22.51% and non-producer members contributed 0.52%. In 2002-2003 the share of producer member in share capital increased and reached to 99.30% and share of non-producer members remained 0.70%.
8. The factory has made investment in National saving certificates, Fixed deposit for long terms, Debenture, Bonds, etc. The investment in Bonds of Industrial Finance Corporation was Rs.1.0 lakh in 1979-80 which increased to 7.0 lakh in 1985-86 ^{and} Rs.101.0 lakh in 2002-2003.
9. The total deposit of the factory was increased and reached to 19.32 crores in 2002-2003. Also the amount of reserve fund is regularly increased and reached to 18.52 crores in 2002-2003.
10. As the factory has been growing in size consequently its financial requirement has also been increased. So the borrowing has increased. The total borrowing including short term and long term was 4.81 crores in 1979-80 which increased to Rs.45.70 crores in 2002-2003.
11. The total amount of expenditure on purchased of sugarcane was 2.88 crores in 1979-80. which increased to 32.66 crores in 2002-2003.
12. Expenditure on production of sugar has increased during 1979-80 to 2002-2003. It was 0.28 crores in 1979-80 which increased to Rs.6.63 crores in 2002-2003. In case of salary and wages, expenditure made by

the factory was 0.07 crores in 1979-80 which went to 13.79 crores in 2002-2003.

13. The total expenditure on the payment of interest was Rs.0.37 crores in 1979-80 which reached to 5.22 crores in 2002-2003. The overall trends in the administrative expenditure showed that it has increased during nineties and then started decline during the subsequent periods. In 1979-80 the total administrative expenditure was 0.43 crores which reached to 1.32 crores in 2002-2003.
14. In 1979-80 the total revenue was 0.25 crores and total expenditure was 0.46 crores. Hence factory had to face economic losses. The total expenditure and total revenue was increased in 1999-2000 and 2002-2003. However during 2002-03 factory suffered from economic lossess.
15. Factory has organized various labour welfare programmes such as training and seminars, games, show, etc. Factory canteen is run on no profit no loss basis. Factory has also maintained good library having books of well known writers.
16. Factory gives bonus to its workers which in turn help to increase productivity of labour. In 1979-80, 8.33 % bonus was given to the workers which increased to 20% in 1989-90 and 1999-2000. However it was reduced to 8.33% in 2002-2003. Factory has provided housing

facilities to the workers and employees of the factory at concessional rate. Factory has constructed 19 huts in the area of operation.

17. Factory has undertaken various sugarcane development schemes. It provide technical assistance to the farmers. It has setup agricultural development department for improving sugarcane production in the jurisdiction of factory. Moreover factory supplies seeds of high yielding to the members at reasonable price. Soil testing programme is also undertaken for giving correct doses of fertilizers to land.
18. Due to efforts taken by the factory area under sugarcane cultivation was increased there by dependency of the factory on other state has been reduced.
19. Factory has provided educational medical facilities in its area of operation. It constructed school buildings, hospital having expert doctors.
20. Attention has been given on plantation at work site of factory and in jurisdiction area. Factory has distributed plants to members and non-members. In 1982-83 factory distributed 6,154 plant which increased to 4,791 in 2002-2003. Nearby 2027 farmers got the benefit from the programme. Moreover factory has also provided other facilities such as banking facilities, post-office, cycle stand, rest room, canteen, etc. in the factory premises.

5.2 Policy Guidelines in Sugar Industry:

1. Before giving license for crushing, Rs.1 lakh should be taken as a deposit from the sugar factory. If the factory does not obey rules and regulation regarding crushing, the amount should not be refunded.
2. The factory should give sugarcane price at equal rate to members and non-members within its jurisdiction or outside its jurisdiction.
3. Factory should not be allowed to acquired sugarcane from the jurisdiction of the other factory without the permission of respective authority. If sugarcane acquire without permission fine of Rs.120 per tone be charged.
4. Factory should open account with the bank and make deposit in that account for various sugarcane development project.
5. Government of Maharashtra started financial assistant policy to assist the backward class. Such farmers should avail the benefits of such facilities.
6. Some sugar factories have not having their adequate ware housing facility. Consequently most of the quantities of sugar has to be put in open area. Government should make proper arrangement for warehousing facility.
7. Members of Management committee of the private sugar factories should not have relation with other co-operative sugar factories within

the states or within 50 K.M. So that they can not act as a management committee members of co-operative sugar factories.

8. For preparing project report regarding installation of project for manufacturing of by product, high amount is to be paid as a fee to the govt. Such a high amount is beyond the capacity of the factory. So govt. should charge 0.25% of the valuation of project or Rs.5.00 lakh whichever is lower.
9. Price of sugarcane should be given within 14 days to its members if any delay occur, the price should be given with interest for that period.
10. Government should reduce tax of Rs.20 per M.T. Payment of such tax become difficult for the farmer.
11. Co-operative sugar factories try to create internal source of working capital like deposit as they have no permanent internal source of working capital finance.
12. There is need to formulate return oriented and strict policy regarding receivable so as to recover the loan and advances in time and regular.
13. Members should be persuade by cane development department to adopt water saving devices like sprinklers and drip irrigation schemes.
14. Cash inflow and outflow are to be managed properly to improve the liquidity position of the sugar factories, government should release

appropriate quota under the free sale to improve the cash position of sugar factories.

15. Officers working at management as well as technical level are playing important role in the success of these co-operative sugar factories so there is need to have a competent staff at managerial level.
16. Sugarcane research center may be set up in the area of jurisdiction of the factory. The factory must take initiative to increase the area under sugarcane cultivation in its jurisdiction.