

" Democracy is based upon the conviction that there are extraordinary possibilities in ordinary people . "

- Harry Emerson Fosdick -

CHAPTER V

**A BRIEF PROFILE OF SUGAR FACTORIES
FACTORIES UNDER STUDY.**

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A BRIEF PROFILE OF SUGAR FACTORIES UNDER STUDY.

A. Shree Panchaganga Sahakari Sakhar Karkhana Ltd, Ganganagar, Ichalkaranji. [Dist. Kolhapur]

The Panchaganga Sugar Factory [PSF] is one of the biggest cooperative sugar factories in India. It is the third cooperative sugar factory having 5000 tonnes daily production capacity. This large factory is situated at Ganganagar which is near Ichalkaranji, the Manchester of Maharashtra. The Ganganagar comes under Hatkanangale taluka. Most of the people who have devoted their efforts in setting up the sugar factory are freedom fighters of India.

The Panchaganga area was not well developed. With poor soil and poorer irrigation facilities, the whole area of the Panchaganga suffered from poor productivity resulting in poor incomes for the farmers. When the monsoon failed, the conditions became still more depressing.

In 1953-54, the farmers in the Panchganga region underwent the experience of several depressions. The prices of Gur, Groundnuts, tobacco etc. were so high that they could not even cover the cost of cultivation. As a result, sugarcane was burnt by many farmers. This sorry state of the situation distressed Shri Ratnappa Kumbhar, a freedom fighter and veteran social worker of the Kolhapur district. He thought the only way to improve the farming community was to set up a sugar factory on a cooperative basis as a first step towards economic uplift of the farmers and all-round development of the Panchaganga area. This could be achieved only by securing the whole hearted support and cooperation of the farmers in that area. It was not at all an easy

task to persuade the poor and tradition-bound farmers to pool their resources for undertaking the industrial enterprise as a cooperative venture. It was difficult to awaken the faith of the farmers and their ability to organise and manage successfully a cooperative enterprise.

However, Shri Ratnappa Kumbhar and his followers did not give up hope and persisted in their efforts to awaken the farmers to the promising possibilities latent in the sugar cooperatives.

He collected a small group of like minded and devoted social workers and set about the task of convincing the farmers in the villages in the command area. The villages were from Hatkanangale, Shirol, Kagal, Karveer and Chikodi [Karnataka state] talukas. The villagers in the command area took up challenge to harness the vast potential for development of sugar factory in a spirit of dedication and missionary zeal. He visited many farmers in these 102 villages and awakened their confidence and their ability to set up the sugar factory. The farmers were too poor to purchase the shares. The vast majority of the poor farmers had to borrow/sale their ornaments and their movable properties to secure money, for purchasing the shares.

They had to face psychological and monetary obstacles in establishment of factory but because of the able leader as Ratnappa Kumbhar, they could put away all these difficulties and obstacles and paved the way for the establishment of the factory.

Organisation and working of the factory

The management of the PSF is vested in the Board of Directors. Out of 19 Directors, 10 are elected by producer members, the rest being nominees of various other agencies as follows,

a) Elected by the cooperative societies.

- b) Bank nominee, advancing crop-loans to producer members.
- c) Nominees of IFCI.
- d) Representative of backward classes.
- e) Representative of the workers.
- f) Coopted "expert" members.
- g) Representation of IDBI.
- h) Representation of state government.
- i) Representation of individual members.

The Managing Director is an ex-officio member of the Board of Directors. The tenure of Board of Directors is for 5 years. The Chairman and Vice-chairman are elected from among the members of the Board of Directors. The day to day administration is carried out by Managing Director. The Board of Directors normally meet once in a month for making policy decisions. The specialised functions such as formation of agricultural development programme, decision regarding irrigation etc. are entrusted to different committees.

The various committees carry out their specialised functions under the general supervision and guidance of the Board of Directors.

B. Shree Datta Shetkari Sahakari Sakhar Karkhana Ltd.

Shirol [Dist. Kolhapur]

The Datta Sugar Factory [DSF] is situated on the Jaisingpur - Shirol road. Shirol taluka of Kolhapur district is gifted by a presence of natural irrigation potential on account of five rivers viz Krishna, Panchaganga, Warana, Doodhaganga and Vedganga, a very fertile soil, good rainfall and abundance of ground water. The sugarcane growers in the area were very eager to have a sugar

factory so as to ensure all-round development and economic prosperity to the hitherto poor and marginal farmers. A preliminary meeting was, therefore, held at Kurundwad in Shirol taluka on 31st Dec. 1960 for organising a cooperative sugar factory. The factory is the outcome of pioneering efforts of late Shri Dattajirao Kadam, ex MP and Shrimant Vishwasrao S Ghorpade [Dattawadkar sarkar]. They are the founders of this sugar factory.

Registration of the factory :

DSF was registered as a Cooperative Society under Maharashtra Cooperative Societies act, 1960 9th June, 1969. The registration number of the society KPR/PRG/[A]-1/DT.

An industrial licence for establishing a sugar factory on cooperative basis with initial crushing capacity of 1250 MT per day was issued subsequently which enthused a spirit of cooperation besides creating confidence and developing an attitude of self reliance amongst the economically backward and down-trodden farmers in this area

Aims and objectives of the factory :

The objectives of the cooperative sugar factory are to secure social justice and import modern technology in agricultural operations to improve the economic conditions of the agriculturists through the cooperative processing and marketing of their products mainly of sugarcane and its by-products. Besides, attaining the economic uplift of the cane cultivators, the cooperative leaders aimed at spreading to the weaker sections of the community at large, a part of the gains arising from successful functioning of the sugar factory providing much needed irrigation facilities and disseminating technical guidance and agricultural extension service to obtain high yields. In addition to this, other social activities like, education, primary health,

small agro-based industries and all-round development of the farmers is the primary aim. The sugar factory's agricultural extension service includes soil testing, tractors, ploughing etc.

Project implementation :

DSF is the famous sugar factory in India because of its vast development within the very short period. This factory is located in the industrially backward area of Kolhapur district near the town of Shirol and is the first sugar factory in the state to go into production amongst the 12 contemporary factories licensed in the year 1969. Due to the foresight and active participation of the cooperative leaders, the project was implemented within a short span of 22 months and the trial crushing operation started on the 16th March, 1972.

Cost of project

As originally scheduled, the plant was to go into operation in the beginning of the year 1971 at an estimated cost of Rs. 2.50 crores. However, due to many uncontrollable factors, actual production could be commenced only in the month of March, 1972. During which the project cost went up substantially on account of additional interest burden and other expenses. The project cost finally increased to the tune of Rs. 2.94 crores.

Capital position :

The share capital was collected from the cane growers and non-producer institutions of the factory. The collection of the share capital from the members was a difficult task as the members of the factory happened to be poor farmers who were denied membership by the neighbouring cooperative sugar factories. Hence special efforts were made to persuade the Reserve Bank of India to issue authorisation for sanction and disbursement of long term loans to the poor cultivator members for the purchase of shares

through the village primary cooperatives. Initially, the Government of Maharashtra had contributed an amount of Rs.45.00 lakhs towards the share capital.

Financial position :

The capital employed in the factory establishment was the highest. The labour productivity was found to be higher in the factory establishment. The Government of India was also approached with request to delete the condition for the industrial licence for implementing the project without obtaining term-loan from IFCI/IDBI. The Central Government acceded to the request of the factory, and accordingly a term loan of Rs. 150.00 lakhs was availed from IFCI in participation with LIC. The loan amount so availed has been fully repaid along with interest accrued thereon.

The sugarcane crushed by the factory :

The factory went into production in the year 1972 with its first trial season. With many teething mechanical troubles in the initial stages, the work was completed and the factory started with regular seasons from 1975-76. During 1973 to 75 due to severe drought condition in the area, the cane cultivation was severely affected which had its adverse impact on the working of the factory. In the subsequent years, however, increasing quantities of cane were crushed.

C. Shree Warana Sahakari Sakhar Karkhana Ltd.

Warana Nagar [Tal. Panhala, Dist. Kolhapur].

The third sugar factory under the study is The Warana Sugar Factory [WSF], which is located in Panhala taluka of Kolhapur district. It is situated on Pune - Bangalore road, about 40 km. north from Kolhapur. Panhala enjoys favourable ecological factors for sugarcane cultivation. Warana valley was a barren and hilly track notorious for dacoity. But these favourable ecological

factors were harnessed for the purpose of sugar industry by a visionary Shri Tatyasaheb Kore. He eradicated the insecurity and poverty in the midst of a favourable ecological factor by setting up a modern cooperative sugar factory in 1957 as a first step towards economic upliftment of the farmers and transformation of Warana valley into a socio-economically developed one. He mobilised the farmers from 66 villages and started the WSF. This tremendous progress could be achieved only by motivated farmers. Keith Davis rightly says, "*In the world of work, all resources except human resource stand under the laws of machines, never having an output greater than input. Men alone can produce through motivated creativity and output greater than sum of this inputs*".

Management could motivate the potential creativity in workers by giving due priority to their welfare. A number of basic amenities have been provided to the workers by the management. In Warana, most of basic needs have been fulfilled by the management by undertaking a number of welfare measures such as housing, medical facilities, jobs for housewives of workers etc.

Bonus and incentive schemes :

When worker's work is appreciated they feel happy and are thus encouraged to apply their mind to work in a more diligent manner. This attitude makes them more efficient and efficiency of workers is reflected in boosting of production, thus bringing prosperity to both the workers and the organisation. In Warana Sugar Cooperative, bonus and incentive schemes have been in vogue. This has made workers really devoted to their duty. The sincerity and integrity developed in the workers is reflected in the efficient running of the factory.

Worker's Cooperative Society :

Besides this, the management has encouraged and helped

setting up a Worker's Cooperative Society which runs many services like floor mill, fire wood and gas supply, sugar sales credit facilities, hire-purchase schemes to enable workers to purchase household material like radio, cycle, sewing machine etc.

Saving :

Workers have developed the habit of regular saving. All workers are covered under salary saving scheme. Their monthly contribution is about Rs. 30,000. WSF has mobilised workers and farmers for the development of the factory and this unit has proved to be a growth centre around which, by stages, the economic structure of the entire area is getting transformed gradually.

WSF is fortunate in getting the benefits of favourable climate and the motivating force in the person of Shri Kore. The management has taken every possible care and adopted scientific approach as a result of which the area under sugarcane, sugar recovery, yield per hectare have increased besides this, the fruit culture is also being developed. The important factors that have contributed to the growth of sugarcane production lie in planned agricultural development . The board of directors also functions through various sub-committees formed for the various departments like purchase, works, harvesting etc. They are involved in day to day work along with the workers. The board members play an active part in the administration to safeguard the interests of the producer farmers as well as share views with workers in decision making.

The management is particularly looking after the farmers and the workers interest, thereby creating an invigorating atmosphere in the entire rural area around the Warna complex. This factory looks after the interest of the farmers who supply the sugarcane and the workers who supply their labour power. But it has not

failed to look after the interests of small marginal farmers, and landless labourers.

A new scheme was introduced to develop and assist this class of low income group and the class living below poverty line and also meeting the deficiency of wholesome milk and milk products by starting Shree Warana Sahakari Doodh Utpadak Sangh. A diverse agro-based industrial structure is expanding, opening new opportunities to the unemployed or under-employed rural population.

Thus the brief review of WSF points out how these units have transformed the barren valley into a green valley and the traditional rural society into economically developed one. The villagers have been benefited from this economic transformation.

D. Rajarambapu Patil Sahakari Sakhar Karkhana Ltd.

Rajaramnagar, Sakharale [Tal. Walwa, Dist. Sangli].

The fourth sugar factory under the study is Rajarambapu Sugar Factory [RSF]. This factory is situated near Islampur at Rajaramnagar village which was called Sakharale before the death of late Shri Rajarambapu Patil. The factory received industrial licence on 10 Feb, 1967 under the leadership of "Bapu" with 1250 M.T. crushing capacity per day which increased upto 2000 M.T. Lately, with effect from 8 Feb. 1990, it increased upto 4000 M.T. per day.

The factory executed various schemes of water supply. The by-products of Distillery and Acetone project are also created by this factory. It provides all facilities to the employees. Academic seminars are also organised from time to time. Various skilled and expert persons from other countries have visited this factory. Labour welfare centre has been granted by the Maharashtra

Labour Welfare department, to this factory. The heavy work of the management is easily done with the help of computer for obtaining the advantage of accuracy, ease and saving of time. It is one of the important features of this factory.

E. Shetkari Sahakari Sakhar Karkhana Ltd. Sangli.

The fifth and the last factory under the study is Sangli Sugar Factory Sangli [SSF]. The area around Sangli was neither one of those areas known traditionally for sugarcane cultivation and jaggery manufacture, nor yielded enough cane to meet the need of a sugar factory at Sangli. With promoters' strong will imbued with imagination and understanding, initiative and equipped above all with an indomitable will to act, the dream has come true.

Late Padmabhushan Shri Vasant Rao Dada Patil, known for his uncanny practical sense and organising ability of a rare order combined with remarkable vision. Starting virtually from scratch, with the initial disadvantage of being situated in an area not known for traditional plentiful sugarcane production. The factory has carried out two expansion programmes during the thirty years of its existence and has set an All India record for being the first to achieve a crushing capacity of 5000 MT of sugarcane per day, as well in producing maximum number of sugar bags. This is a matter to be proud of for the people in general and farmers in particular in Sangli district and Maharashtra state also.

The factory is situated 4.82 km [3 miles] north of Sangli, at Madhavnagar road. It was registered on 8th Oct, 1956, under the Cooperative Societies Act of Maharashtra State and began first crushing season on 21st Dec., 1958 with crushing capacity of 100 MT per day. It was increased to 2600 Mt per day in the month of Feb. 1965. Now the factory attains the maximum capacity of 5000 MT

per day.

The factory has become a spring-board for launching of a large number of ancillary projects, which have opened up avenues for a new economic order holding rich promise for the future. The factory had succeeded in leading to a number of other agro-based projects, not only for the processing of by-products of sugar plant like molasses into alcohol, but also processing other forms of farm-produce and related enterprises in fields like transport, construction, dairy, poultry, cattle feed, power, alcohol and its by-products, cattle development, improved varieties, agricultural equipment and implements, horticulture, intensive crop cultivation projects, low cost housing for farm labour and other backward groups, besides attending to the more intimate concerns like development of research in sugar technology and participating in the Center's drive for export of raw sugar. The active participation in various rural development schemes and projects launched by the Government.

The factory was not content to remain satisfied with what it had done or was trying to do for the economic uplift and betterment of its hundreds of small farmers. It is akin to the needs of other equally important aspects of the welfare of the people. The factory has shouldered its responsibility in meeting grave crises created by natural disaster like Koyana earth-quake or drought, floods etc. The factory is proud of its assistance to the educational institutions like Nav Bharat Shikshan Mandal and Modern Education Society which have set up a sizable campus for their residential college, technical institution, and English medium high school which provide degree courses in Arts, Commerce and Science and run besides, a high school, a school for art, for children of the farmers within the factory's command area. Also

this mandal has started a new Engineering college and Polytechnic Institute of Technology. With this college it has brought the advanced technical education at the door steps of the rural masses.

No doubt, the sugar factory participated with a sense of duty, in the promotional and organisational work which promotes the betterment of the common people and has helped to better the life of farm labour and increase in employment opportunities. As a result the name of the factory was changed to Vasantdada Sahakari Sakhar Karkhana Ltd., instead of Shetkari Sahakari Sakhar Karkhana Limited.