

## CHAPTER - V

### THE FACTORY AND ITS IMPACT

The purpose of this chapter is to understand the socio-economic impact of this factory in the operational area. For this purpose it is essential to understand the sugarcane cultivation position in the area before the establishment of the factory and the same should be compared with the present position. This will help us in assessing the impact of this factory. More over new additions to the house hold like purchase of agricultural implements, goods like radio, T.V, Cycle Moped, Motor Cycle etc., improvement made to the old house etc., can be used as indications in assessing the economic impact of the factory. For social impact due to time constraint no specific indication are used. But a glimpse of the same can be obtained through personal observations in the area. The same are incorporated in the chapter.

The sugar factory has 10641 members. The Karkhana has commenced its trial crushing during the 1986-87 season. Table No, 5,1 gives season wise details of cane crushed, sugar bagged average recovery per tonne, and cane price paid per tonne.

Table No. 5.1 (A) showing Seasonwise details,

Season	Cane crushed in M.T.	Sugar bagged	Average recovery P.M.Tonne	Cane paid P.M.T. Rs.	Price
1987-88	191580	200985	10.44 %	295	
1988-89	162506	177974	10.91 %	315	
1989-90	212002	232494	10.93 %	404	
1990-91	277010	303110	10.92 %	409	
1991-92	242424	279691	11.53 %	400	
1992-93	225011	250146	11.09 %	511	

Source - Annual Reports of the Factory ( HALSUGAR )

Table No. 5.1 (A) reveals that cane crushed in the year 1988-89 is low and it is high in the year 1990-91. Because in the year 1988-89 mechanical trouble witnessed in the factory discouraged the growers to supply the sugarcane to the factory. In the year 1990-91 machinery was functioning smoothly. So members brought more sugar cane to the factory. Naturally factory crushed more sugar cane in this season. It also reveals that recovery has increased in the year 1991-92, 1992-93 because growers used new seeds like Co-671, and labourers of factory working efficiently.

Table No, 5,1 (B) showing  
Sugar production by the factory (Seasonwise)

Seasons	M,30	S,30	Biss	Total
1987-88	29310	170960	715	200985
1988-89	45824	131160	790	177974
1989-90	69010	162734	750	232494
1990-91	32450	269680	1000	303110
1991-92	28845	230840	776	280591
1992-93	48410	200615	1121	250246

Source : Annual Reports of the Factory Halsugar,

Table No, 5,1(B) indicates that sugar production is low in the year 1988-89 and high in the year 1990-91. The reason for this is already mentioned above. Moreover due to more working hours as well as hybrid seeds used for better recovery helped in increase in sugar production. fluctuation in sugarcane crushing and sugar production is due to sugarcane shortage in the area. This happens as other factories in this neighbouring area attract the sugarcane grower as some of factories are nearer to the growers than this factory. For example of a factory at Hupri, Chikodi, Shirol, Kagal, Ichalkaranji etc., nearer to the growers.

The annual turn-over of this factory was more than Rupees 9 Crores. The sugar factory had huge resources in terms of money, men, and material. In Belgaum district where this sugar factory is established, the region had undergone a phenomenal change in the surrounding area from the point of a agricultural development, educational awakening, political awareness, cultural and economic progress. The sugar factory also generated considerable employment and absorbed a large work force who took up sugarcane cultivation.

IMPACT ON CANE CULTIVATION AREA :

The establishment of this factory in the area increased the number of sugarcane grower farmers who used to cultivate tobacco earlier. Because of the establishment of HALSUGAR some farmers neglected the tobacco and paddy crop. However data regarding the position of other crops are not readily available, data regarding increase of cane area from 1986 to 1993 is used which indirectly prove that there is decrease in acreage of other crops.

Table No. 5.2 showing  
Sugar Cane area under this factory,

Seasons	Suru plant- ation acres	Average yield in tonnes per acre	Ratoon plant- ation acres	Average yield in tonnes per acre	Total acres	Over all average yield in tonnes,
1986-87	144-00	50	216-00	35	360-00	14760,00
1987-88	1069-24	55	1604-16	33	2674-00	111745,48
1988-89	1478-00	49	2217-00	38	3695-00	154668,00
1989-90	1839-24	52	2759-16	40	4599-00	206006,88
1990-91	4132-32	51	6199-08	41	10332-00	464910,60
1991-92	6179-38	56	5244-36	42	11424-34	565308,40
1992-93	7976-37	60	6841-23	40	14818-20	772231,40

Source : Records of the factory ( Halsugar )

The table No. 5.2 reveals that the sugarcane area under this factory. It shows that from the day of establishment of the factory, sugarcane area has rapidly increased. In the year 1986-87 it was hardly 360-00 acres but in the year 1992-93 it has increased to 14818-20 acres. This is 41 times more than the Original area. This is so because the factory provided information regarding better seeds, fertilisers, pesticides, weedicides, irrigation, facilities to the farmers to improve the cane crop in this area.

It is quite evident from the data presented in Table No, 5,2 that Suru and Ratoon plantations are the main types of crop grown in the area, The experience of grower members inform that the suru plantation gives more average per acre than Ratoon plantation but Ratoon plantation needs less cost of cultivation, One of the most important aspects of the impact of the sugar factory shown in Table No, 5,2 is the switchover of the land to sugarcane crop from other crops, The main reasons for this are as noted below :

1) Generally it was possible to obtain an average yield of 30 to 70 tonnes of cane per acre, The cane crop had proved to be more profitable than others, even after taking in to consideration the cost of cultivation,

2) Cane cultivation is comparatively more easy than other crops,

3) Cane as a cash crop and is comparatively free from pests and diseases,

4) The Grower members had larger share in factory i.e, sugar co-operatives organised by grower members themselves, Naturally through co-operative society, the cultivators can easily discourage or avoid market exploitation,

5) The cost of harvesting and transportation of cane were undertaken by the factory itself, This will reduce the work of the growers,

6) In spite of fluctuating prices of cane, the crop is dependable and a stable source of income to the cultivators,

7) It needed less, supervision and work than other crops like tobacco chillis etc. After plantation one man can handle five acre of sugar cane easily but crops like tobacco needs atleast 2 persons for one acre. And sugarcane provide fodder for animals which also motivate the farmers to take up its cultivation. But crops like tobacco and chilli do not provide fodder to animals,

The factory also recommends different varieties of sugarcane seeds, for increasing sugarcane yield. The sugar cane varieties recommended by the state government are Early variety and mid and late variety. The early variety consist of co-6415 and Middle and late variety consists of co-419, co-449, co-740, co-62175 and co-37172. The Early variety comes of age in 9 months and the middle and late varieties comes of age between 10 months to 12 months,

However the HALSUGAR recommended the following cane varieties in its area,

Early variety

Co,671, Co,7704

Mid and Late variety

Co,740, Co, 8014

Co, 8011 Co, 85061

Co, 1163,

Since the early varieties comes to age at 9 months, It is quite evident that Co, 671 is popular early variety, And Late variety crop is Co, 740 which is also popular in this area,

The factory has encouraged its members to modernise the agricultural practices by providing them farm machineries on rental basis such as bull-dozers, tractors, power-tillers, razors, sprayers boring and blasting machines,

The factory has prepared the crop planning programme every year for their cultivators and assigned an area for cane cultivation with the variety of cane to be grown, doeses of fertilizers to be applied intervals of irrigation etc, Thus the factory has enlightened and developed agriculture consciousness among the cultivators by introducing and integrating different farm technologies, The cultivators were properly advised an the type quantity and timing of the fertilizers use by the experts appointed by the factory for the purpose,

ECONOMIC EFFECTS :

The HALSUGAR co-operative had managed to pay increased and remunerative pricesto sugar cane growers over the years, Table No, 5.3 shows the details regarding the total cost of production and rate paid per metric tonne of sugar cane by HALSUGAR during the last 6 years period from 1987-88 to 1992-93,



Table No. 5.3 showing details of cost of production and rate paid per tonnes of sugar cane.

Table No. 5.3 showing  
Details of cost of production and rate paid per tonnes of sugar cane.

Season	Cane Cost Rs.	Other Cost Rs.	Total Cost Rs.	Rate - paid per M. Tonne Rs.
1987-88	49798479-60	650679738-09	700478217-78	295
1988-89	42869414-51	25113471-84	67982886-35	315
1989-90	86911528-72	31963625-79	118875154-51	404
1990-91	89221174-65	49027095-85	138248270-50	409
1991-92	111835982-13	55199158-58	167035140-71	400
1992-93	108272721-04	61452169-40	169724890-44	511

Source - Records of the factory ( HALSUGAR )

Table No. 5.3 reveals that " other cost " in 1987-88 year is high compared to other years because in the year 1987-88 factory was new. Hence other cost gone up than in any other year. Rate paid per M. Tonne in the year 1987-88 was Rs. 295 but in the year 1992-93 it is about double. This happened because rate of sugar has also gone up. This indicates that the grower got more money for their crop.

Another important impact of this factory is that the cost of harvesting and transportation was borne by the factory. This attracted farmers to grow more sugar cane. Table No. 5.4 shows clearly the details about harvesting and transport expenses of HALSUGAR co-operative.

Table No. 5.4 showing

Total expenditure of Harvesting and transportation ( Rs. in Lakhs )

Season	Harvesting per M.T.	Transportation per M.T.	Cane Crushed in tonnes	Harvesting in lakhs	Transportation in lakhs	Total — in Lakhs
1987-88	14-76	43-66	191589,426	28,28	83,64	111,92
1988-89	17-25	50-32	162506,113	28,03	81,77	109,80
1989-90	25-28	46-65	212002,225	53,59	98,90	152,49
1990-91	28-44	61-48	277010,521	78,78	170,31	249,09
1991-92	33-42	49-38	242424,813	81,02	119,71	200,73
1992-93	34-43	47-62	225011,451	77,47	107,15	184,62

Source : Records of the Factory ( HALSUGAR )

Table No. 5.4 points out expenditure for farm labour covering a period of 6 years beginning from 1987. The data found in table reveals the expenditure made per metric tonne for harvesting

and transportation and the total expenditure incurred on this activities. The harvesting and transportation expenditure increased year to year because labour wages and transportation charges increased from year to year. But in the year 1990-91 factory spent more money for transportation because it brought the sugar cane from long distance, like Khanapur, Gadhinglaj and Manjri, Which are about 60-70 Km, away from the factory.

CAPACITY OF THE FACTORY :

The Table No. 5.5 indicates the installed crushing capacity, cane crushed, sugar produced and recovery of sugar produced and recovery of sugar obtained by HALSUGAR Factory during 1992-93 season.

Table No. 5.5 showing  
The Capacity of the Factory and Sugar Recovery,  
Season 1992-93.

Daily crushing Capacity T.C.D.	Cane Crushed Lakh tonnes	Sugar Produced Lakh tonnes	Sugar Recovery %
1250 T.C.D.	9.25	2.50	11.09

Source - Records of the Factory ( HALSUGAR )

The data in the Table No, 5,5 indicates clearly that the factory for a period of 6 months in a year is working to its full capacity, This suggests that the factory is a boon to the growers, The percentage of sugar recovery in HALSUGAR was higher than the state percentage i.e, 10,43,<sup>1</sup> The main reason for high sugar recovery in the case of this factory was availability of fresh and quality cane, good mill extraction, boiling house recovery, overall recovery low sugar losses, etc.

SUGAR LOSSES IN HALSUGAR :

The losses involved mainly due to the sugar loss in bagasse filter, cake, molasses undetermined etc. The total losses under various heads from cane depends not only on the quality of sugar cane but also on the efficiency of the working of a factory and the condition of its plant and machinery, The total losses from the cane to the extent of 2,3 to 2,7 can be considered normal, The all India conference of co-operative sugar factories opined that in production; held on may 1976 at New Delhi opined that 2-5 as the reasonable sugar losses from the cane,

Table No. 5.6 showing  
Sugar Losses in HALSUGAR from 1986-87 to 1992-93.

Season	Sugar in Bagasse	Sugar in Molasses	Sugar in Filter Cake	Sugar under-terminated	Total Sugar Losses
1986-87	1,27	1,27	,06	,19	2,79
1987-88	,90	1,30	,04	,08	2,32
1988-89	,80	1,09	,05	,18	2,12
1989-90	,76	1,14	,06	,10	2,06
1990-91	,76	1,16	,46	,10	2,07
1991-92	,84	1,07	,05	,10	2,06
1992-93	,79	1,15	,05	,09	2,08

Source - Records of the Factory HALSUGAR.

The Table No. 5.6 provides in detail the total sugar losses in the factory from 1986 to 1993. The data indicates that at present it is only 2,08 and only ,03 percent in excess of national standard which is 2,5 so sugar losses in this factory is reasonable.<sup>2</sup> When questioned the technical personnel observed that the lack of co-ordination between engineering and manufacturing staff and their repeated feeding and low technical efficiency has been responsible for the sugar losses in the factory.

HOURS WORKED IN THE FACTORY :

The hours of performance made by the factory and total hours lost and their percentage indicates the efficiency of the factory.

Table No. 5.7 showing  
Hours worked and stoppage of factory from 1986-87 to 1992-93 (Season wise)

Seasons	Total Hours Actually Crushed	Total Hours Lost	Cane shortage	Mechanical Trouble	Electrical shortage	DUE	Miscellaneous	General cleaning	Hours stoppage % available
1986-87	634,35	983,55	776,00	109,15	69,30	29,10	-	-	60,77
1987-88	3253,00	978,00	508,00	162,35	76,35	134,05	96,45	96,45	23,11
1988-89	2656,30	922,15	632,55	115,05	75,05	22,25	76,45	76,45	25,76
1989-90	3357,20	796,40	471,25	95,25	32,45	77,00	120,05	120,05	19,17
1990-91	4276,15	487,45	90,00	107,40	46,20	90,40	153,05	153,05	10,23
1991-92	3836,00	715,00	182,30	157,30	86,05	149,00	139,55	139,55	15,71
1992-93	3337,55	444,05	224,08	60,20	13,40	66,40	79,15	79,15	11,25

Source - Records of the factory HALSUGAR.

Table No, 5,7 reveals that only in the year 1986-87 the total hours of actually crushing is less than total hours lost, This is due to the fact that the factory was new and the grower members did not provide sufficient cane to the factory, Since 1987-88 the factory is working very well with small hours lost, Because at present all the employees are experienced in their work and growers are sending their cane to the factory with the intention that the factory will provide higher price for cane,

QUALITY OF CANE IN HALSUGAR :

Table No, 5,8 shows

Regarding quality of cane from 1986 to 1993,

Season	Sugar cane %	Fibre Cane %	Bagasse Cane %	Filter Cake Cane %
1986-87	13,00	15,49	32,41	3,59
1987-88	12,74	14,60	30,66	3,41
1988-89	13,01	13,92	29,30	4,35
1989-90	12,97	13,60	28,93	4,05
1990-91	12,96	14,72	31,72	3,71
1991-92	13,15	15,39	32,53	3,55
1992-93	13,14	15,39	32,19	3,50

Source - Records of the factory ( Halsugar )

The Table No, 5,8 reveals that the quality of cane, In 100 % cane sugar, fibre, Bagasse, Filter Cake % were normally from 58 to 65 % and remaining % is water, The water evaporated from the juice then the other percentage are taken in to consideration, In the year 1987-88 and 1990-91 the sugar % is less because sugar recovery is less in the cane, The sugar % depends on quality of cane, soil, water, fertilizer and variety of cane for example Co-671 gives more sugar recovery and less baggasse,

Table No, 5,9 showing

Modernisation Increased due to establishment of this factory,

Name of the purchased or erected things	Before the establishment of this factory	After (1986) or establish-ment of the factory	Total out of 100 sample share holders
Radio	51	33	84
Television	14	48	72
Cycle	47	35	82
Moter cycle / Moped/ Car / Jeep / Tempo etc,	10	37	47
Tractor / Truck etc,	1	06	7
Referigators/Mixter etc,	10	11	11
Pumpsets	22	35	57
Borewells	2	8	10
Construction of new homes	70	30	100
Repairs of old home	03	28	31



Table No. 5.9 reveals that modernisation increased due to the establishment of this factory. The sample share holders were asked the question, " Whether the modernization increased due to the establishment of this factory ?". The responses of the sample members helped to understand the impact of this factory on the economic life of the people. After the establishment of this factory they increased their cane cultivation land and they have getting money from Rs. 20,000 to Rs. 1,50,000 per year. This cash crop helped them for their improvement. After the establishment of this factory 30 to 50 % of sample shareholders purchased Radio, Televisions, Cycles, Motar Cycles, and pumpsets etc. It is also reveals that 28 % sample shareholders repaired their old homes and 30 % members created their new homes. The 6 to 11 % sample shareholder purchased Tractor, Truck, Jeeps, Refrigerators, Borewells etc. The personal observation tells us that the small milk dairies in this area increased from 75 to about 140. The 65 % of the sample shareholders expressed that they were small land holders and they grew sugar cane on small places at land. Therefore they not much benefited from factory and not much economic development. The 35 % of sample shareholders agreed that after becoming a member of HALSUGAR their economic condition had considerably improved.

The emergence of HALSUGAR in the area under study shows some change in the situation. Now share holders of the sugar factory

not only escaped from the exploitation of merchants but also no longer the victims of the uncertainties of jaggery market. As they get better returns for their cane and switched over from other crops to the sugar cane cultivation.

Now this factory has a plan to provide loans particularly crop loans to its members. The provision of credit and other facilities allowed the cultivators to adopt high yielding and early varieties of cane. The factory supplies to the farmers better and disease-free cane seeds through its nurseries. Sugar factory helped in strengthening the co-operative credit societies in its areas of operation. It should-  
-dered the responsibility of repayment of the loans obtained by its members from other institutions while finalising the cane accounts of the members the factory deducted the loan amount with the prescribed of interest from the cane bills of those members who borrowed loans from credit societies. This year this factory send about Rs. 5 lakhs to different credit societies for members repayment.

The most important feature of HALSUGAR factory is that the factory had been able to pay remunerative cane price to the cane cultivators right from its inception. In this year factory paid Rs. 600/- per metric tonne to its members as a advance or first bill which is the highest rate compared to the neighbouring factories working in Shirol, Hupari, Harali and Kagal etc.



The factory always trying to provide irrigation facility with the help of state government the factory forced on Maharashtra and Karnataka Governments to provide water from Kalamawadi Dam and Koyana Dam to Doodganga and Vedganga rivers, Now Maharashtra Government providing water from Kalamawadi Dam to this area, The Government of Karnataka under taken a lift irrigation scheme at Bhoj-Bhojwadi which also helps the factory to get more sugar cane cultivated in the area as well as improving the quality of sugar cane,

After the establishment of this factory state government of Karnataka took interest in road maintenance on this area, In some villages roads are to be constructed and repaired by the local cultivators themselves, It is essential for HALSUGAR to contribute some money for road construction, because improved approach roads in the sugar cane area would lead to speedy transportation of cane from field to factory and thereby the recovery in the factory improves,

#### EMPLOYMENT GENERATION :

The establishment of sugar factory provides employment opportunities to Local people, Rural community which is poor and insecure obtain social security from the sugar factory, Which eliminate the problem of unemployment to some extent and thereby improve the standard of living of sugarcane cultivators of the area concerned, The HALSUGAR is playing very important role in this regard now in

this area, about 1000 unemployed youths got the opportunity of employment in this factory. This indicates that the factory solved unemployment problem to some extent. The problem of disguised unemployment has also been partly reduced.

Independent research studies have revealed that the sugar cane generates additional employment. Per acre of cultivation it provided employment of at least 33 man-days per year, when compared with most labour intensive alternative crops like paddy and wheat. A sugar co-operatives with a crushing capacity of 1,250 T.C.D. needs roughly 8,000 acres of sugar cane area. Thus additional employment generated by only one such sugar factory is at least 2,31,000 man days per year. Due to this factory total 4,03,500 mandays employees is created in this area. The impact of a sugar co-operative enterprise in creating additional employment, is greater in the farming sector than in the non farming sector. This position goes a long way to provide gainful employment to lakhs of unemployed and under employed farm labourers existing at present in country side. The sugar factory reduced the rural tensions and partially prevented the migration of labourers from rural areas to urban centers. Further the factory helps in spreading employment opportunities more evenly throughout the year.

The factory had a greater impact on the rural economy and made direct attack on rural poverty by providing local employment without uprooting the poor from the area. The factory provided employment both at the within and outside the factory.

Table No, 5,10 showing  
Details of farm labour during 1992-93,

No, of workers employed	No, of trucks employed	No, of tractors employed	No, of bullock Carts employed
2100	60	40	300

Source - Minor officials of the factory ( HALSUGAR )

It is quite evident from the data found in Table No, 5,10 that inspite of rapid modernization and industrialization the bullock carts still play an important role in the transport of goods specially cane in rural areas, Because of the sugar co-operative rural roads were connected with the approach / main roads inthe area, About 2100 labourers are employed as farm labour every year in seasonal time,

In this area nearly 70 % roads are in good condition and 30 % of them are not up to the mark, Thus a great task lies behind the sugar factory in maintaining and promoting good roads, However direct correlation can not be established between agricultural growth and road development, Though the development of roads certainly plays a very important role in bringing about rapid progress in agriculture, By facilitating transport of mannure fertiliser pesticides agricultural implements and cane etc, The factory should give attention on the developmeent of roads in rural side by constructing

cart-roads, metalled roads link-roads, small bridges, etc. As a result of development in roads almost all villages in the area of operation of the factory can be easily approached.

The factory contributed not only to an integrated development of agriculture and rural industry but also ensured spread effect and in multiplier effect. The factory could be taken as one of the major employment generating source for the weaker sections and educated youth, and women in the rural area. Besides generation of employment, the factory had been able to develop entrepreneurship among the rural population, awareness of economic development and democratic values which resulted in increase in agricultural productivity and improvement in the quality of life.

The factory had helped in preventing the unemployment problem in rural area and put a check on large scale migration from rural areas to urban areas. The people of this area generally use to migrating from rural area to Inchalkaranji for obtaining job. This <sup>is</sup> reduced to some extent. The factory also provided employment opportunities to a big army of unemployed workers owners of bullocks carts, trucks, tractors and labourers during the crushing season. This has liquidated the problem of seasonal unemployment to an extent around 2000-2200 people in rural area. Apart from permanent and seasonal employment opportunities about 800 workers, within the factory, the sugar co-operative had also provided seasonal employment

to number of truck drivers, cleaners, tailor barbers, goundies etc., outside the factory.

SOCIAL EFFECTS :

The factory provides service not only to the members of the factory but also to the entire rural community within its area of operation. The factory has broken the traditional barriers of our rural community and introduced the elements of modernization. For example some factories produce wine in the area. This affects the health of the people and dislocate family and social life. But HALSUGAR is not producing wine. Because it will go against the special objectives of the factory they are as mentioned below :

1) To create a sense of self help and mutual help and concern for rehabilitation of the weaker sections of the community including labour both agricultural and industrial.

2) To avoid exploitation of labourers and provide essential facilities for their better living.

3) To make increase in production and distribution of profits among the members, labourers and consumers.

4) To create a sense of confidence and new responsibility among the rural people.

5) To teach a lesson to cultivators about better living business and better farming.

6) To regenerate the leadership among the rural people to undertake and organise the big industrial and business ventures

with success, These objectives take some more time for achievement, However the trend is already set by the factory,

SOCIAL SECURITY TO GROWER MEMBERS :

The factory also provide social security to grower members, The factory had built up a sizable reserves in the form of various funds like reserve fund, non-refundable fund and other funds,

Table No, 5,11 showing

The Reserve Fund of this factory, ( Rupees in Lakhs)

Season	Non Refundable Reserve Funds	Other funds in seasons
1987-88	0,43	18,47
1988-89	0,58	18,47
1989-90	1,32	62,19
1990-91	-	-
1991-92	44,88	91,62
1992-93	5,43	17,06
<b>Total :-</b>	<b>52,64</b>	<b>204,88</b>

Source - Annual Reports of the Factory  
Halsugar,



Table No, 5,11 reveals that position of reserve fund of this factory from <sup>this</sup> / table it is clear that from 1987-88 to 1993, Rupees 257,52 lakhs were collected from the grower members, Out of them Rs, 52,64 lakhs non refundable and Rupees 204,88 lakhs others funds like general reserve, Depreciation Resrve etc, The table shows that HALSUGAR has collected huge funds from the grower members, out of cane bills payable to cultivators, The interest for non-refundable reserve funds is given at every 2 to 5 years and other reserves will be returned after every 5 to 10 years to concerned cultivators, It is considered as one of the type of savings of grower members, In the year 1990-91 funds were not collected and it was collected in 1991-92, The members also provide some portion of the cane price for area development,

The spread effect of this industry in the rural area are many, It provides income and employment apportunities with—out up—rooting people from their social environment, The role of the sugar co-operative in modernising agriculture transformation in rural society and bringing prosperity to the country side is quite significant, The factory has made a definite impact as a major instrument for agricultural development and opened a new area in the processing of the agricultural produce by building up a strong infrastructure for the development of rural economy,

The sugar co-operative has made profound impact on the social and economic life in the area indeed the factory has become

a catalytic agent of progress by tapping the initiative the enthusiasm the resourcefulness of the people in the rural area,

POLITICAL AWARENESS :

Another important impact of the factory on grower members is that of political awareness. After the establishment of this factory people of this area largely participated in the election of Board of Directors as well as bodies like village panchayats and taluka panchayat samities. In May 1992, 90% of members have voted in the election of Board of Directors. They are aware of the performance and programmes of the factory. It was further noted that the interest of grower members lies in the decision of Board of Directors. The experience shows that the members of factory always wanted the development of the factory with efficient management due to the election in the factory, grower members started to recognise the merits and demerits in the panel system of election and list system as proposed by John Strut Mill long back. The election in the factory is conducted at the end of every 3 years.

Election in the factory provides political training to members. Thus it provides an opportunity to the factory leaders in the training of leadership which helps them to become a state level leader for example Shri. Subhash Joshi became a member of legislative Assembly because of the help of factory workers in his election.

Usually rich people and local leaders are contesting the election to become a director. For mobilising votes, these leaders visit the doors of small and marginal grower members. So this makes the grower members to think about the value of their vote. During the election the contesting candidates send their own vehicles for transporting members from their native place to the factory. This make participation a meaning full in factory affairs and large number of grower members obtain political training. There is a great opportunity for the members to remove the inefficient Directors from the panel list.

The sugar factory is educating the people in the functioning of self government, forming better publicopinion, organising Local leadership, creating better citizens, with responsiblity and awakening respect for the elected leaders in the rural community.

#### ANCILLIARY AND WELFARE ACTIVITIES :

The factory had undertaken many ancilliary activities for the benefit of the members and others in its area of operation such as dairying centres for cattle, bakeries, cattle feeds etc from time to time in the factory. The factory switch to provide loans for the construction of Gobar Gas Plants in rural area. The illiterate members in the area are given clerical assistance at the premises of the factory. Proper boarding and lodging facility is provided to the

member cultivators and visitors at the factory premises. Telephone facilities has been in-existence in the factory which is allowed for others and the farmers are getting tyres and tubes, and diesel from the factory pump station on no loss no profit basis. The factory has also started supporting other institutions by donations. The factory has established a health centre with a qualified Medical Officer, Compounder, Dressers etc., at its premises. The Halsugar has also provided ambulance to the patients at a reasonable rate. It has also arranged the supply of kerosene cloth, essential food grains etc., through fair price shops seen by the co-operative society.

MEETING THE EMERGENCIES :

At the time of emergency the sugar co-operative had made some efforts to mitigate and evade the sufferings of the people. During the time of emergencies the resources of the factory had provided extremely beneficial for organising the relief and other activities. The HALSUGAR provided its assistance to 4 farmers at Bhoj - Bhojwadi Village, who have suffered due to fire (April 1992) Thus the voluntary efforts of factory in the area had undoubtedly relieved much of the burden on the state exchequer in providing such services to the people. The factory has also provides annual donations for the development of youth clubs. The HALSUGAR provided Rs. 10,000 to Tarun Man-dal of Bhoj in 1993 for its development.

The factory had been identified as the major agency which would emerge as the lead-institutions for rural development, employment opportunities and distribution of profit in the area.

: R E F E R E N C E S :

- 1) Reports of Sugar Federation Bangalore,
- 2) Sugar Directorate Bangalore,

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