

PART - I

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PART - I

CHAPTER - I

Idea of the Sahakar (Co-Operative) :-

In the whole Country there are three types of industries :-

- (1) Public Industry.
- (2) Private Industry.
- (5) Co-Operative Industry.

Public Industry mainly depends on Social thinking. In that industry the authority about production and distribution is in the hands of Government. The main object of these type of Industry is the end of Private Ownership.

On the other hand, the private industry is based upon capitalisation. In that industry the authority about production and distribution is in the hands of private owner. The central point of both industries is Co-Operative Industry. Co-Operative with each other, equality and control of democracy is the soul of the Sahakar.

John Christopher says that :-

"Co-Operation is in two-edge axe which strikes at the same time at the dead obstructions of the Socialistic state and at the sterility of individualism that corrosion of energy that dispersion of collective force in individual frailties.

Both on ' Rural Reconstruction in Ireland' think that a 'Co-Operative Society may be defined as a Voluntary association of individuals combined to achieve an improvement in their social and economic conditions through the common ownership and democratic management of the instruments of wealth.

Co-Operative means working together. Co-Operative Society means "An Association for the purchase of joint trading originating among the weak and conducted always in an unselfish spirit on such terms that all who are prepared to assume the duties of membership may share in its rewards in proportion to the degree in which they make use of the Association". It is also described as including all. "Those forms of Voluntary association where individuals unite for the production of wealth they will devote to common purpose of share among them upon principles of equity reason of common good, agreed upon before hand." It is not in the opposite of Competition each for all and all for each".

AGRO INDUSTRIES IN INDIA

In India the concentration on industries are based on Agriculture that is Agro-based industries, such as Cotton, Jute, Oil Seeds, Sugar and so on. With the help of these Agro industries, India can achieved balanced and at the same time the agricultural product can be used as a raw material in the proper manner. Because of these agro industries there are chances of Social as well as economic development of rural areas.

History of Sugar in India

Sugarcane has been known to India for about 4000 years in Aathervaved. Sugar has been mentioned in Epics as one of the 5 'Amritas'. In 4 to 6 Century the production of Sugar also started in this Country. In the beginning period the nature of Sugar was 'Khadisakhar'. In 500 A.D., the Chinese Emperor Tsai Heng sent agents to Bihar in India to learn the art of Sugar manufacture. In 641 A.D. Sugarcane reached to the Egypt and in the 9th to 10th Century in the middle age the production of sugar was started for the purpose of trading.

The starting of the Sugar industry in India from the Vedic period. In 400 A.D. Mr. 'Kutila' has given specification in his economic book that Sugar and honey was produced in India. In 15th Century the Sugar was

exported to Europe country from India even in very large quantity. It has also got historical proof. Traders of Rome and Greece called to the Sugarcane as a 'Sweet Grace' and they consumed Sugar in India for many years. Since 1883 Sugar import in India. This gave a serious blow to the Indian Sugar trade. The Indian market was thus jumped by very cheap. Sugar produced in Java and other countries. Upto 1895 the Sugar was imported from Germany and Australia.

Beginning-
period of 20th Century :-

In 19th Century the Sugar Industry in India was in small scale basis. In Madras and Bengal, the industry was started to clean the 'Gur'. But in 1903 the modern age of Sugar was started. In 1901 one Centre was opened at Coimbatore to produce the good Sugarcane and to increase the production of Sugar. In the time that India in 1899 the levy on Import of Sugar was abolished by the decision of International Conference held at Brussels. In the beginning of First World War the 7% of consumption of Sugar in India was imported from Java.

The Indian Government increased the duty on Import of Sugar for the purpose of progress of Sugar Industry. But Indian Sugar Factory satisfied the demand of Sugar in India upto 15%. In 1932 the success to the production

of Sugar Industry was given to Mr. Ranade, Mr. Gokhale and Mr. Tilak. In 1899 Mr. Ranade in his Newspaper 'Times' gave specification for 'How to increase the trading of Sugar'.

Government appointed 'Sugar Industry Terrif Board' for the purpose of establishing the Sugar industry in modern method. The Government of India was accepted the recommendation of the terrif board and the Sugar Industry Act was passed in 1932 by the legislature. According to this Act the duty was charged for import of sugar. As well as the Act gave protection and concession to the Cultivators of Sugarcane. The effect of this protection was good. After that the progress of Sugar Industry was wonderful and import was stopped. In 1930-31 the number of Sugar Industries was 30 but in 1936-37 it was 137 and production also increased from 1,58,000 Tonnes to 11,11,000 Tonnes.

In 1934 Central Government has passed the Sugar Act for the protection of farmers to concern with this Act the State Government also passed the Act. Following are the main points in this Act :-

- (1) To fix the minimum price of Sugarcane.
- (2) To make the plan for the continued Supply of Sugarcane.
- (3) Established Control and Advice Committee.

(4) Better relation between the farmers and Sugar Industrialists.

Because of these provision there was planned production and systematic distribution. In 1937 the establishment of Sugar Syndicate.

After Independence :-

In 1947 India got freedom. The Pakistan got 9.1% Share of the total production and the remaining 90.9% share got to India.

In 1947 the Merchants and Producers done misuse and hence dismissed the control of Sugar. In 1949 Govt. has started under its control of Sugar, and the price fixation, distribution and production. In 1951(October) the Govt. made order of the strict control for Sugar and Gur. After this order the production of Sugar is satisfactory. In 1950 the India Govt. planned free Sugar Plan was arranged. The Sugar industry got permission to sale the remaining sugar in the market after the levy sugar. Because of this reason the production of Sugar is increased.

Sugar was decontrolled in 1947 in view of the critical situation and crises faced by Sugar Industry. As a result of the same the prices of Sugar rose rapidly. The circumstances compelled the Govt. to recontrol Sugar

in 1949. Free India adopted Socialistic pattern of Society for all round development of the Country of India accepted the economic planning. The Planning period started from the year 1950-51.

First Five Years Plan :-

The First Five Year plan laid down a production targets of 15,00,000 to be reached by 1950 to 1956 against the actual production of 11.16 Lakh tonnes(1950-51 the base year of the plan). The first plan had not provided for any further expansion of the size of the Sugar Industry. In 1951 development and recarlation of Sugar industry, come under the control of Govt. of India, for the first time under the Act of 1951 the regulation of Sugar Industry came under the control of Central Govt. The First Plan period licences were granted to establish 13 Co-Operative Sugar Mills in Bombay and 3 in Punjab.

Statement showing Production, Factories in Operation
and Sugar Production.

Year	No. of Factories in Operation.	Average Capacity ('000 Tonnes)	Total Sugar Produced ('000 Tonnes)
1951-52	140	938	15,886
1952-53	134	952	13,219
1953-54	134	926	9,778
1954-55	136	958	15,759
1955-56	143	980	18,642

(Co-Operative Sugar - June 1990).

In 1951-52 the number of Factories were 140 but after this period the number of Sugar industries and production is decreased in 1955-56 the number of Sugar industries was 143 and production was 18,642 thousand tonnes.

Second Five Year Plan :-

The role of Industry in 2nd Plan was also equally commandable. The 2nd Five Year Plan had target of the Sugar production to 30.28 lakh tonnes. It was not possible to attend targets. Mainly due to actual shortage of foreign exchange. In this Plan 24 Licences were issued and 2.60 Crores of Rupees sugar exported in this Plan. In this period sugar was exported 60,00,000 tonnes.

**Statement showing Production, Factories in Operation
and Sugar Production :-**

Year	No. of Factories in Operation.	Average Capacity ('000 Tonnes).	Total Sugar Produced. ('000 Tonnes).
1956-57	147	1016	1,998
1957-58	158	1040	1,946
1958-59	164	1082	1,889
1959-60	168	1131	2,384
1960-61	174	1172	3,021

(Co-Operative Sugar - June 1990).

In the Second Five Year Plan the number of Sugar
Factories was increased speedily and total production was
increased in 1998 to 3'021.

3rd Five Year Plan :-

The percentage of increase in production was 215.92. Thus exceeding the target of 35 Lakhs tonnes. Fixed under the Plan upto the end of 3rd Plan the number of Sugar Factories reached upto 200. In this Plan Rs. 90/- Crores Sugar was exported. In the this Plan 78 Sugar Factories in Co-Operative field to be installed.

Statement showing Production, Factories in Operation and Sugar production :-

Year	No. of Factories in Operation.	Average Capacity ('000 Tonnes)	Total Sugar Produced ('000 Tonnes).
1961-62	180	1144	2,729
1962-63	186	1150	2,139
1963-64	194	1185	2,573
1964-65	198	1204	3,232
1965-66	200	1253	3,541

(Co-Operative Sugar June 1990).

In this Plan in 1964-65 the number of Sugar Factories is 198 and 1965-66 the number of Sugar Factories in Operation is 200; means in this period only 2 Factories were established and production is increased in 3,232 to 3,541.

4th Five Year Plan :-

Statement showing the number of Sugar Factories in operation,

Average capacity and total sugar produced.

Year	No. of Factories in Operation.	Average Capacity ('000 Tonnes)	Total Sugar Produced. ('000 Tonnes).
1966-67	200	1229	2,151
1967-68	200	1273	2,248
1968-69	205	1320	3,559
1969-70	215	1333	4,262
1970-71	215	1394	3,740

(Co-Operative Sugar - June 1990).

In this plan the number of Sugar Factories in operation was increased from 200 to 215; means 15 Sugar industries were increased and production is decreased in the year 1970-71. In this period the Sugarcane and Sugar were increased from 2301 to 2615 thousand hectors and 1,03,967 to 1,23,990 thousand tonnes.

5th Five Year Plan :-

The production of Sugar will be stepped from 4.3 million tonnes by the end of the Plan. Additional capacity was to be encouraged prosperity into the Co-Operative Sectors with emphasis being laid on integrated and larger plans to secure advantage of economics of scale.

In the year 1973-74 that was at the beginning of the 5th Plan production was 39.5 Lakhs and by the year 1976-77 that is at the end of the Fifth Five Year Plan; it was 4 Lakhs. The total number of Sugar industry in operation was 270 and average capacity 1578 thousand tonnes.

6th Five Year Plan :-

The wide fluctuation in the sugarcane production resulted in periodic and scarcity and surplus in sugar causing distress to the farmers. Sugar industry and the customers. Capacity and production targets of 8 million tonnes and 7.64 million tonnes rec. are envisaged for 1984-85.

On the starting of 6th Five Year Plan the number of Sugar Industries in Co-Operative field was 142. At the end of 6th Five Year Plan Government succeeded to start 185 Co-Operative Sugar factories. At the end of this Plan the number of Sugar Factories was 326 and Sugar production was 58.16 lakh million tonnes and Average capacity of 1779 thousand million tonnes.

7th Five Year Plan :-

Based on the projected output of Sugarcane of 217 million tonnes Sugar production is expected to increased from 6.2.million tonnes in 1984-85 to 10.2 million tonnes in 1989-90. The projected level of output will eliminate the need for imports and also realise amount of 0.4 million tonnes for export in 1989-90.

Statement showing the number of Sugar Factories in Operation.

Year	No. of Sugar Factories in Operation.	Average Capacity ('000 Tonnes)	Total Sugar produced. ('000 Tonnes).
1984-85	339	1824	6,144
1985-86	342	1885	7,016
1986-87	354	1862	8,502
1987-88	357	1888	9,113
1988-89	365	1925	8,752

(Co-Operative Sugar- June - 1990)

This period the number of Sugar Factories were increased from 339 to 365 and production was from 6,144 thousand tonnes to 8,752 thousand tonnes. In the year 1988-89 the production of Sugar was decreased.

8th Five Year Plan :-

On the end of 8th Five Year Plan the Central Government expected 135 lakhs tonnes Sugar production. In 1988 the Sugar production was 90 lakhs tonnes means upto the end of 8th Five Year Plan the production of Sugar increased by 45 lakh tonnes.

Some Data of the Sugar Factories :-

Table No. 1.1

Showing statewise Sugar Factories in Operation - in 1983-89.

Sr.No.	State (Co-Op.)	No. of Sugar Factories.
1.	Andhra Pradesh	30
2.	Assam	2
3.	Bihar	27
4.	Goa	1
5.	Gujrat	11
6.	Harayana	8
7.	Karnataka	26
8.	Kerala	2
9.	Madhya Pradesh	8
10.	Maharashtra	95
11.	Nagaland	1
12.	Orissa	5
13.	Punjab	13
14.	Pondicherry	2
15.	Rajasthan	3
16.	TamilNadu	27
17.	Uttar Pradesh	103
18.	West Bengal	1

Total : 365

(Co-Operative Sugar - June 1990).

Table No. 1.1 shows the large number of Sugar Factories in Uttar Pradesh, Second in Maharashtra and less number of Sugar Factories in Goa, Nagaland and West Bengal.

Table No. 1.2

Showing opening Stock of Sugar, Consumption of Sugar and export of Sugar during the last 10 years.

Year	Opening Stock.	Production during the year.	Total Supply.	Consumption.	Export
1979-80	20.47	38.58	61.85	52.8	2.90
1980-81	6.87	51.48	60.50	49.80	0.61
1981-82	10.09	84.37	94.46	57.11	3.83
1982-83	33.52	82.29	115.81	64.79	4.22
1983-84	46.80	59.17	106.61	75.70	7.06
1984-85	23.85	61.44	97.46	80.20	0.20
1985-86	17.06	70.15	103.47	83.13	0.54
1986-87	19.80	85.02	114.33	87.45	0.26
1987-88	26.62	91.10	118.43	93.01	0.28
1988-89	25.14	87.52	112.66	98.66	0.28

(Co-Operative Sugar - June-1990).

Table No. 1.2 shows the largest production in last 10 years in the year of 1987-88 was 91.10 lakh tonnes and largest export of 4.22 in 1982-83, largest supply in the year of 1987-88 was 118.43 lakh tonnes, largest consumption was 98.66 lakh tonnes in the year of 1988-89.

The lowest production in the year of 1980-81 and export was lowest in the year of 1980-81 because the production was decreased.

Table No. 1.3

Showing average capacity per day, recovery of sugar per cent
cane and crushing season days in India :-

Year	Average Capacity tonnes per day.	Recovery of Sugar percent	Crushing Seasons days.
1979-80	1651	9.88	86
1980-81	1711	9.98	104
1981-82	1721	9.66	173
1982-83	1779	9.95	158
1983-84	1779	10.02	111
1984-85	1824	10.22	106
1985-86	1885	10.23	116
1986-87	1862	9.98	141
1987-88	1888	9.70	152
1988-89	1925	10.22	133

(Co-Operative Sugar - June -1990).

IMPORTANCE OF SUGAR INDUSTRY IN INDIA :-

(1) Major Agricultural Industries :-

Sugar Industry is one of the major Agricultural industries next to the textile, which has its influence on the development of agriculture in India.

(2) Large Market at Home :-

The Industry has special advantage of having a large market at home.

(3) Earn the Foreign Exchange :-

Apart from the self sufficiency of Sugar requirement in the Country a part is exported or earn the foreign exchange so essential to build-up other industries.

(4) Employment :-

Sugar industry gave employment to nearly 8 Lakh persons including skilled, unskilled, seasonal permanent technicians etc. Besides, about 3 Crores of agriculturists and persons engaged in transportation and harvesting cane. The annual wage bill out to Rs. 8,501/- million approx.

(5) Revenue :-

Industry contribution to the revenue of the state and of the Central Govt. in the form of Excise duty Cane-cell,

Income-Tax, Purchase and Sur Tax is remarkable.

(6) New Orientation given to the life surrounding village :-

In working out the new factories on Co-Operative basis a new orientation has been given to the life in the surrounding villages where the cane growers- small or big have the partnership in the industry.

(7) Number of Industries based on Sugar Industry :-

There are number of industries based on Sugar industry; such as Sugar machinery manufacturers, engineering industries, distilleries, paper industry, pesticides, fertilizers, chemicals, pharmaceuticals etc. Not only the prosperity and development but mere existence of some of these industries depend on Sugar industry.

There are several bi-products of sugar industry. The main bi-product of sugar industry is press-mud, which is used in preparing the Compost manure, animal food etc. In the manufacture of paper Cardboard, Insulation board, there is need of bagasse. Molasses have demand in the preparation of plastics, synthetic, rubber, chemicals and power alcohol.

There are about 200 distilleries in India. The annual licence capacity of these distilleries of 15,15,505(Kilos) Litres. There are various subsidiary industries such as

confectionary. The total capital outlay of sugar industry is ever increasing. Sugar industry is one of the largest paymasters.

Beginning of Co-Operative Sugar Factories :-

Production of Sugar through Co-Operative processing of sugarcane was first attempted in India in 1933. There were four Co-Operative Sugar Factories by 1935 - One in U.P. (Biswar) and the remaining three at Thammapale, Etikoppaka and Vaygura in Andhra Pradesh. The last mentioned factory had a crushing capacity of 800 tonnes while that of a crushing capacity and the other three factories ranged between 30 to 50 tonnes capacities; of these only the factory at Etikoppaka has survived and is the oldest Co-Operative Factory today. An effective break was provided by the Co-Operative Sugar Factory at Pravara Nagar which was registered in Maharashtra in 1948. Its initial crushing capacity was 450 Tons.

Sugar Industry in Maharashtra :-

Today Maharashtra State is the first in Sugar production. The Co-Operative Sugar Factories in Maharashtra State, Western India had been remarkable successful economically, socially and politically. Some have serious problems but on an average they perform most other Co-Operatives and are more efficient than the Private Sugar Industry.

They have become centres of Agro-Industrial growth and have promoted a variety of Social service in the Country side.

In 1933 to 1953 .. 15 Sugar Industry in Maharashtra in Private sectors. Farmers sold the Sugarcane to the Sugar Industrialists at the rate which they priced because they sustain loss in the up and down prices of the Gur. Therefore, they wanted their own sugar factories. In 1930 the farmers get loss in slum period. In that period the Bombay Co-Operative Bank done practical for production of Sugar in 'Oper Pan Process' and started the Co-Operative Sugar Industry

If the Sugarcane producer get together and establish the Sugar Industry, it will be profitable to the Sugarcane producers. From this idea in 1945 under the leadership of Prof. D. R. Gadgil - one Conference held. And in that Conference one decision was taken that the Sugar Industry established on Co-Operative basis and that Sugar Industry established on Co-Operative basis in Pravara Nagar. In 1948 it was registered and on 21st Dec. 1950, the first Sugar bag was produced in this industry.

At the end of the Second Five Year Plan the Govt. gave permission to establish 56 Sugar Industries. Out of this 14 Co-Operative Sugar Industries in Maharashtra. The Share Capital of these Sugar Industries was 470.21 Lakhs, as on 31st June 1960. At the end of this Project the Sugar

Industry produced 50% of Sugar production of Maharashtra.

Table No. 1.4

Shows the Sugar Industry (Co-Operative), the Producer members and production of Sugar.

Year	Producer Member.	Sugar Industry (Co-Operative)	Production (Lakh Tonnes)
1960-61	32,221	14	2.63
1965-66	56,823	20	5.04
1974-75	1,38,244	42	12.70

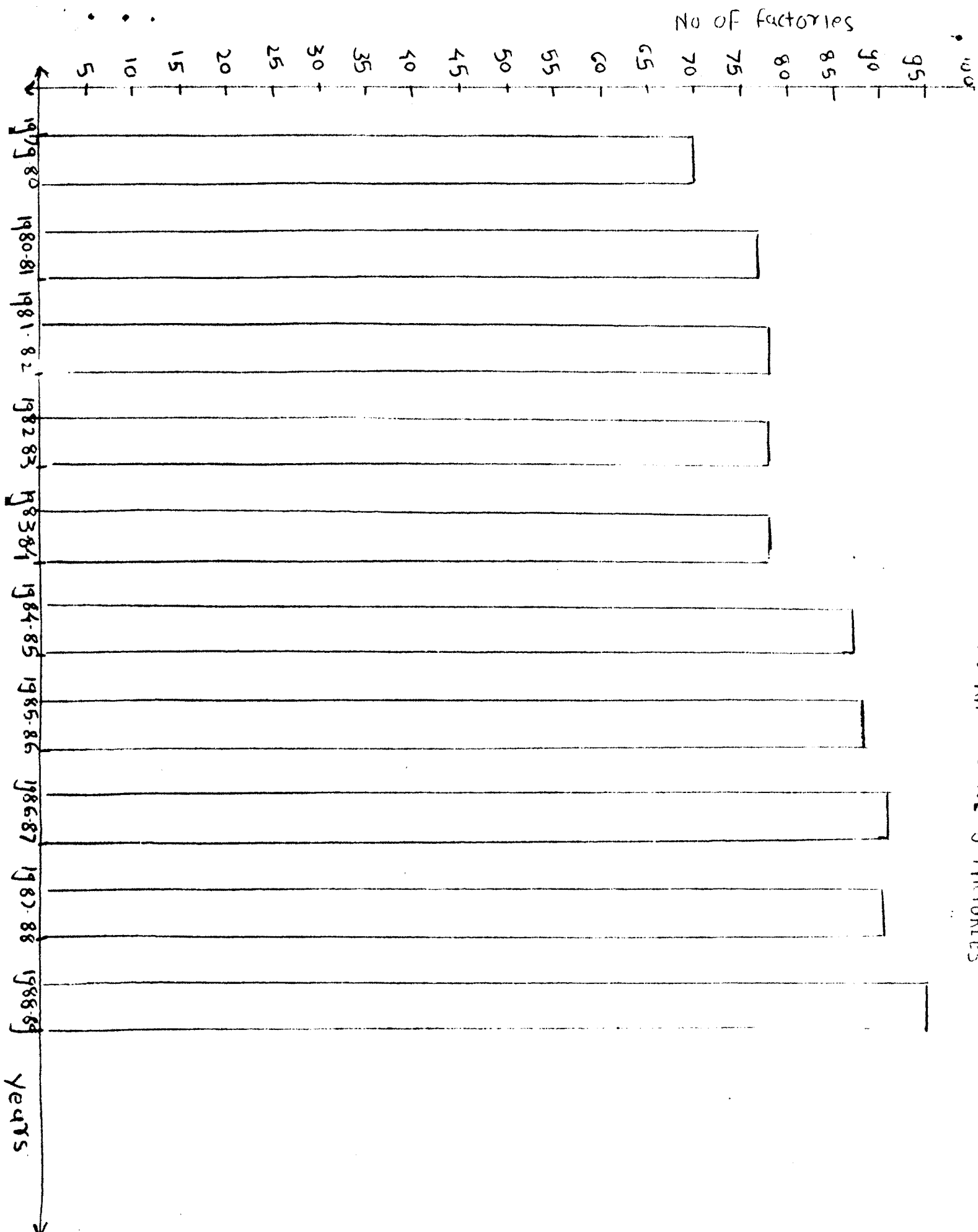
Table No. 1.5

Showing number of Sugar Factories in Maharashtra.

Year	No. of Sugar Factories.
1979-80	70
1980-81	77
1981-82	78
1982-83	78
1983-84	78
1984-85	87
1985-86	88
1986-87	91
1987-88	90
1988-89	95

(Co-Operative sugar 1990).

1.4 TOTAL SUGAR FACTORIES OPERATION IN PAKISTAN SCALE & FACTORIES



In 78-79 in Maharashtra, there was 69 Sugar Factories. Out of these 59 in Co-Operative Sectors. In the period of 6th Five Year Plan, (1980-85), Central Govt. gave permission to establish 23 Sugar industries in Maharashtra. In 1985-86 from the start of 7th Five Year Plan, the Sugar production 22.09 lakhs M.T. in 80 Co-Operative Sugar Factories. In 1986-87 the Sugar production 85 lakh M.T. Out of this 55.09% production was in Co-Operative Sectors.

In Maharashtra in the period of 1986-87 the Sugar production was 22.73 lakh M.Tonnes by 84 Co-Operative Sugar Industries. In 1987-88 the production was 26.86 lakh M.T. Bags by 85 Co-Operative Sugar Factories.

Table No. 1.6

Showing yield of sugarcane in Maharashtra.

Year	Production of Sugarcane in '000 Tonnes.	Yield of Cane per Hactore.
1979-80	19,819	89.3
1980-81	23,591	92.3
1981-82	28,780	96.9
1982-83	31,360	96.3
1983-84	26,549	90.3
1984-85	26,367	90.1
1985-86	23,706	89.4
1986-87	24,091	86.1
1987-88	24,984	85.6
1988-89	25,500	81.1

(Co-Operative Sugar - June-1990).

The production of Sugarcane in 1981-82 was 28.780 and per Hectore. is 96.9. After this period the production of Sugarcane is decreased.

Table No. 1.7

Showing production of Sugar and Crushing Season days in
Maharashtra.

Season	Sugar Production in ('000 Tonnes)	Crushing Season days (Average).
1979-80	1394	111
1980-81	2085	145
1981-82	3026	203
1982-83	3025	189
1983-84	1993	122
1984-85	2311	142
1985-86	2389	132
1986-87	2388	128
1987-88	2795	156
1988-89	2629	133

(Co-Operative Sugar-June-1990).

The highest season days in 1981-82 are 203 and highest Sugar production in 1981-82 was 3026. After this period the sugar production decreased and in 87-88 and 88-89 the sugar production again increased. Central Govt. gave permission for establishment of new 18 Sugar Industries after studying the progress of Sugar Industries in Maharashtra and also gave more licences for the Sugar Industries. In Maharashtra State there were 101 Sugar Industries and at the end of 7th Five Year Plan(1989-90)

the number of Sugar Industries was 122. Today the per day crushing capacity of the Sugar industry in Maharashtra is 1,71,802 M.T. At the end of 8th Five Year Plan the production of Sugar must be 47.25 Lakh M. Tonnes.

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- 1) Co-Operative Sugar - June-1990.
 - 2) Sugar-Industry in India- Ram Vichar Sinha - Page No. 1 to 39.
 - 3) Mr. Kamat - Management of Sugar.
 - 4) Tata's Diary.