
CHAPTER IV

**PROFILE OF DAVANGERE TALUK AND
THE ORGANISATION UNDER STUDY**

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4.1. BRIEF HISTORY OF DAVANGERE: -

Davangere is a Taluk head quarter having a population of 2,42,000. It is situated in Chitradurga District. Davangere Taluk has 175 villages and is one of the biggest Taluk in Chitradurga District having an area of 99,410 square hectares of land. This city is situated near by Tungabhadra River and having fertility with black soil for growing sugarcane in that area. This area is gifted by perennial irrigation facility from Bhadra Reservoir project and natural irrigation potential.

Davangere is a developed area in Industrial and in business sector. Number of cotton mills are working in the area because of the good environment for spinning and weaving and large supply of cotton by the surrounding areas.

The farmers of this area are very eager to establish a sugar factory because of higher prices for the sugarcane crop than the other commercial crops. So the Bhadra Sahakari Sakkare Karkhane was - established at Doddabathi near Davangere with the crushing capacity of 1250 Tonnes per day. The main intension of this factory is to provide suitable social and economical justice and better prices for the production of farmers and to provide employment opportunities. Today this factory provides employment opportunities directly and

indirectly for more than 800 - workers, and indirectly to 3,000 to 4,000 agricultural families and thousands of agricultural labourers. At present 312 permanent employees and 326 seasonal employees are working in the factory.

4.2. HISTORY OF THE ORGANISATION UNDER STUDY:-

The construction of Bhadra Reservoir project has come as a great boon to the Agriculturists of this area. The project provides irrigation facilities to about 2,44,663 acres of land.

Taking advantage of the vast potential created by the Bhadra project, a band of dedicated workers headed by Late.Sri.G.Mahadevappa as Chief promoter who took steps to register this co-operative institution, for the establishment of a Sugar Factory of 1250 tonnes crushing capacity per day.

Accordingly the Bhadra Sahakari Sakkere Karkhane Niyamit, Doddabathi was registered under the Co-Operative Societies Act 1959, Bangalore No.RCS 1428/69-70 dated: 8.5.1969, having as its main object for the establishment of a Sugar Factory with a crushing capacity of 1250 tonnes per day. So as to ensure the the around development and economic prosperity.

In view of enthusiasm of the Agriculturists of the area and active help by the local leaders and co-operators, the society was able to collect a share capital of about Rs.11 lakhs with in a period of about 1½ years from the members. The government of Karnataka have been good enough to sanction share capital contribution of Rs.11,89 lakhs and the total share capital so

for contributed by government is Rs.182 lakhs and the share capital collected from members is about Rs.78.15 lakhs.

4.3. OBJECTIVES OF THE PROJECT:-

The object of the project is to encourage proper development of Agricultural industries amongst members on co-operative lines by introducing modern methods and by promoting principles and methods of co-operation and joint farming so as to secure best advantage of modern large scale agricultural production to the owner or tenant cultivators of land and for that purpose.

1. To encourage self-help, thrift and co-operation amongst members.
2. To acquire lands either by means of purchase lease or otherwise for the cultivation of sugar cane and other crops and for the erection of buildings, godowns, staff quarters, administrative blocks etc., and installation of machinery.
3. To inculcate in minds of members, improved modern methods of agriculture and cultivation of sugar cane.
4. To supply seeds, manure, implements etc.,
5. To promote agricultural and industrial education and well being among members.
6. To manufacture sugar, jaggery and their by - products out of sugar cane and to sell the same to the best advantage.
7. To undertake social service activities like education and primary health.
8. To secure social justice and introduce modern technology in agricultural operations.

4.4. LOCATION OF THE FACTORY:-

The site of the factory is situated in the midst of sugar cane growing area. It is about 5 miles away from both the railway stations of Davangere and Harihar and thus equidistant from both the places.

The government of Karnataka have granted 144 acres of land for this purpose, in addition to this the factory has purchased 48.14 acres of land from private parties.

The site is at slightly elevated level between two hillocks and commands a picture view.

The perennial river Tungabhadra is flowing at about 6 Kms from the site. The feeder channel of Bhadra river project is also flowing just by the side of the factory site. The factory has sunk about 13 borewells in the site. Therefore there is continuous water supply to the sugar factory.

PROJECT IMPLEMENTATION:-

The project implementation took a longer period, due to disputes arising in establishing the plant and machinery the rivalries between two dominant groups caused some delay each of them establishing political power of their own group. The factory was registered on 8.5.1969 under section 7 of the Karnataka co-operative societies Act, 1959 having its registered office at mandipet, Davangere but started its trial crushing on 9.5.1978 the auspicious day of Basava Jayanthi.

COST OF THE PROJECT: -

Originally the capital cost of the project was estimated at Rs.712 lakhs. The actual cost was almost same as that of the estimated one. To meet the project cost the society raised ordinary share capital from growing members of Rs.73 lakhs, from state Government share of Rs.182 lakhs and Rs.457 lakhs from the financial Institutions was raised as a term loan.

SHARE CAPITAL: -

The authorised share capital of the factory is Rs.3.05. crores. The Government of Karnataka has contributed an amount of Rs.1.82 crores to the share capital.

AREA OF OPERATION:-

The Jurisdiction of operation of the factory extends to all the villages situated within the radius of 25 miles from the factory site. It includes 151 villages and 7,767.43 acres of land.

Nearly 75% of the land in the area of operation of the factory of Chitradurga and Shimoga Districts come in the Bhadra Project catchment area with perennial irrigation facilities.

TABLE NO:4.1

TABLE SHOWING AREA OF OPERATION OF THE FACTORY

| SL. NO. | NAME OF THE TALUK | DISTRICT | SUGAR CANE AREA (IN ACRES) | VILLAGES |
|---------|-------------------|-------------|----------------------------|----------|
| 1. | DAVANGERE | CHITRADURGA | 3,864.06 | 48 |
| 2. | HARIHAR | - do - | 1,999.37 | 55 |
| 3. | JAGALUR | - do - | 200.00 | 12 |
| 4. | HONNALI | SHIMOGA | 30.00 | 02 |
| 5. | CHANNAGIRI | - do - | 27.00 | 03 |
| 6. | RANEBENNUR | DHARWAD | 192.00 | 10 |
| 7. | HIREKERUR | - do - | 15.00 | 01 |
| 8. | HARAPANAHALLI | BELLARY | 1,440.00 | 20 |
| | | | 7,767.43 | 151 |

SOURCE:- Office Records of BSSKN, Doddabathi.

COMMENCEMENT OF PRODUCTION:-

The year 1977-1978 was the first trial season and the factory could crush only 27,592,280 tonnes of sugar cane and produced 14,937 quintals of sugar with a recovery percentage of 5.64.

In the initial stages the factory faced many problems i.e., administrative problems, disputes among the members and workers and it had also faced some mechanical troubles like break down of machinery, boiler, tripping of turbine etc.

But in the later years the factory could crush good quantities of sugar cane.

PREMISES OF THE FACTORY:-

Bhadra SSKN has 162 acres of land, out of which 20 acres of land is utilised for seed multiplication and reseach. The entire factory complex is constructed in nearly 70 acres. The factory complex is fensed and as one enters in the main gate there is a security office time office and office of the labour welfare officer. On the otherside there is a shelter for parking the vehicles.

On the right side of the campus there are two godowns, the capacity of one is 75,000 quintals, another godown with a storage capacity of 1,00,000 quintals. By the side of the godowns there is sugar cane processing plant. Huge machinery is installed in a double storey building, where actual operation of the production of sugar takes place. There is a workshop to repair the machinery and a well equipped laboratory where test of juicetake place, attached to this there is chief Engineer Office and store and substore are situated. Near the mill there is caneyard where sugar cane is weighed, and cane is supplied to the sugar Mill. At the back of the factory there is another gate which is kept open only during the crushing season for the trucks, tractors and carts loaded with sugar cane to unload their load in the cane yard. There is a temple of lord ganesh where cultural activities takes place on certain occassions. Behind the compound of the factory 10 acres of land is reserved for the parking of came loaded vehicles.

On the left side of the campus there is a mini-administrative double storey building which includes the office of the managing Director, Secretary Assistant Secretary, General Accounts Section and Administrative Section; in the upstairs there is share section a mini

library, meeting hall and purchase section. By the side there is cane accounts section and the cane development office. Near to this there is a canteen too.

The campus is very busy especially during the crushing season. The office employees work from 10.30 A.M. to 5.30 P.M. and the factory workers work from 8.30 to 5.30 P.M. during the crushing season, the work is done in three shifts and at the commencing of every shift a warning siren is given.

EXPANSION PROGRAMMES:-

There is a proposal for increasing the crushing capacity by expanding its present capacity. The proposal has been already sent to the Director of Sugar for approval. The reason is that the supply and sugar cane is growing in large quantity. The governing body is waiting for the approval. If the approval is given by the Karnataka State Sugar Directory Bangalore, the implementation of the expansion work will commence. There is a proposal for increasing its crushing capacity from present capacity of 1250 tonnes to 2500 tonnes.

CANE DEVELOPMENT PROGRAMMES:-

The factory has established the following cane development programmes:-

1. With a view to achieve maximum production of sugar cane to select the progressive farmers in the area of operations of the factory and to take up multiplication of seeds on their fields.
2. Supply of nuclear seeds of sugar cane to the farmers.
3. To train the farmers in improved methods of cultivation by arranging short term courses.



4. Inviting experts from the University of Agricultural Sciences, and through Gramsevaks of the existing Community Development Blocks.
5. Loansto sink borewells.
6. Plant protection measures
7. Drought resistance measures.
8. Variety cropping system and agronomic practices.
9. Lift irrigation facilities.
10. Improvement of soil fertility by supplying sugar cane trash as compost.
11. Ratoon management.
12. Installation of Drip Irrigation system in the operational area of the factory.
13. Facility of crop loan through societies, nationalised banks and Grameen Banks.
14. Soil testing programme of the grower members.

OTHER FACILITIES PROVIDED BY THE FACTORY:-

1. Seed nursery programme under incentive scheme from the State Agricultural Department.
2. Adoptive trail and crash programmes.
3. Distribution of trucks tractors and trailors.
4. Tractor services to theAgriculturists.
5. Consumers co-operative society.
6. Oranising film shows, exhibition on intensive sugar cane cultivation.

TABLE NO : 4.2

TABLE SHOWING THE DETAILS OF MEMBERSHIP AND SUBSCRIBED
SHARE CAPITAL

| <u>Year</u> | <u>No.of Members</u> | <u>No.of Shares</u> | <u>Amount Subscribed</u> |
|-------------|----------------------|---------------------|--------------------------|
| 1984-85 | 7,317 | 27,285 | 2,57,23,051-51 |
| 1985-86 | 7,340 | 27,301 | 2,68,91,406-51 |
| 1986-87 | 7,410 | 29,611 | 2,69,22,016-51 |
| 1987-88 | 7,446 | 29,611 | 2,69,98,026-51 |
| 1988-89 | 7,450 | 29,612 | 2,70,22,221-51 |
| 1989-90 | 7,450 | 29,501 | 2,71,75,389-51 |

SOURCE: Office records of BSSKN.

TABLE NO : 4.3

TABLE SHOWING THE AREA OF SUGARCANE CULTIVATION

| Year | Estimate of Cane Cultivation in acres | Expected Tonnes | Actual Cane are in Acres | | |
|---------|---------------------------------------|-----------------|--------------------------|----------|----------|
| | | | Plant | Ratoon | Total |
| 1977-78 | 8,000 | 1,40,000 | - | - | 4,228.00 |
| 1978-79 | 10,000 | 2,00,000 | - | - | 6,292.00 |
| 1979-80 | 10,000 | 2,00,000 | - | - | 4,786.00 |
| 1980-81 | 10,000 | 2,00,000 | - | - | 2,402.00 |
| 1981-82 | 10,000 | 2,00,000 | - | - | 5,065.00 |
| 1982-83 | 10,000 | 2,00,000 | - | - | 5,108.00 |
| 1983-84 | 10,000 | 2,00,000 | 3,132.00 | 4,085.00 | 7,217.00 |
| 1984-85 | 10,000 | 2,00,000 | 1,329.11 | 3,151.35 | 4,481.06 |
| 1985-86 | 5,700 | 83,155 | 1,841.53 | 1,706.11 | 3,555.11 |
| 1986-87 | 5,090 | 1,21,140 | 2,652.05 | 1,306.29 | 4,936.23 |
| 1987-88 | 6,750 | 1,69,000 | 2,993.14 | 2,588.38 | 5,587.12 |
| 1988-89 | 6,750 | 1,69,000 | 3,245.39 | 3,501.10 | 6,747.09 |
| 1989-90 | 6,500 | 1,69,000 | 5,164.37 | 2,997.02 | 8,161.39 |

SOURCE : Office Records of BSSKN.

TABLE NO : 4.4.

TABLE SHOWING THE DETAILS OF THE SUGAR PRODUCTION
(OPERATING RESULTS)

| Season | Cane Crushed (M.T.) | Sugar Produced (Bags) | Recovery Percentage |
|---------|------------------------|--------------------------|------------------------|
| 1984-85 | 85,214 | 85,540 | 10.03 |
| 1985-86 | 68,907 | 64,775 | 9.88 |
| 1986-87 | 1,05,202 | 1,02,120 | 9.45 |
| 1987-88 | 1,94,110 | 1,87,760 | 9.65 |
| 1988-89 | 1,69,634 | 1,67,910 | 9.90 |
| 1989-90 | 2,09,907 | 1,90,960 | 9.10 |

SOURCE : Office records of BSSKN.

TABLE NO : 4.5.

TABLE SHOWING THE DETAILS OF CANE CRUSHED

(OPERATING RESULT)

| Crushing Season | Cane Crushed | | | Total |
|-----------------|--------------|-------------|------------|-------------|
| | Members | Non-Members | Own Estate | |
| 1984-85 | 85,128.00 | - | 57.00 | 85,215.00 |
| 1985-86 | 68,790.00 | - | 118.00 | 68,908.00 |
| 1986-87 | 1,05,145.00 | - | 58.00 | 1,05,203.00 |
| 1987-88 | 1,58,300.00 | 27,898.00 | 154.00 | 1,96,352.00 |
| 1988-89 | 1,43,389.00 | 25,994.00 | 250.00 | 1,69,633.00 |
| 1989-90 | 2,09,804.00 | | 104.00 | 2,09,908.00 |

SOURCE : Office Record of BSSKN.

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TABLE NO : 4.6.

TABLE SHOWING THE OPERATING RESULTS OF FACTORY

| Particulars | 1984-85 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 |
|-----------------------------------|-----------|-----------|------------|------------|----------|------------|
| Total hours available | 2,264.15 | 2,008.40 | 2,985.30 | 4,532.15 | 3,808.00 | 4,841.00 |
| Total hours worked | 1,502.35 | 1,248.50 | 1,891.40 | 3,463.10 | 2,964.00 | 3,647.00 |
| Total hours lost | 761.80 | 759.50 | 1,093.50 | 1,069.05 | 844.00 | 1,194.00 |
| Jane Crushed (Lakh MTS) | 0.85 | 0.69 | 1.05 | 1.94 | 1.70 | 2.10 |
| Sugar Bagged (In Qnts) | 85,540.00 | 64,775.00 | 102,120.00 | 187,760.00 | 167,910 | 190,960.00 |
| Molasses (In Qnts) | 3,965.00 | 2,862.00 | 5,099.00 | 8,553.00 | 7,870.00 | 10,291.00 |
| Recovery Percentage | 10.03 | 9.88 | 9.45 | 9.65 | 9.90 | 9.10 |
| Total Losses Percentage) | 2.33 | 2.49 | 2.21 | 1.99 | 1.99 | 2.11 |
| Mill extraction | 94.25 | 93.02 | 93.68 | 93.89 | 93.68 | 93.33 |
| Reduced Mill extraction | 93.00 | 93.03 | 93.28 | 93.88 | 93.89 | 93.74 |
| Capacity Utilisation (Percentage) | 72.26 | 65.87 | 67.66 | 82.23 | 85.53 | 88.40 |

Source : Office Records of BSSKN.

TABLE NO : 4.7.

TABLE SHOWING THE CATEGORYWISE WORKING STAFF OF FACTORY

| SL. NO. | Department | Man-gerial | Super-visor | Ski-lled | Cle-rical | Semi skilled | Unski-lled | Total |
|---------|----------------|------------|-------------|----------|-----------|--------------|------------|-------|
| 1. | Engineering | 01 | 07 | 61 | 01 | 83 | 68 | 221 |
| 2. | Manufacturing | 01 | 09 | 19 | 10 | 53 | 65 | 157 |
| 3. | Agriculture | 01 | 04 | - | 96 | - | 08 | 99 |
| 4. | Administrative | 02 | 09 | 06 | 79 | - | 24 | 120 |
| 5. | Stores | - | 02 | - | 06 | 02 | - | 10 |
| 6. | Medical | - | - | - | 01 | - | 01 | 2 |
| 7. | Civil | - | 02 | 02 | 06 | 01 | 06 | 17 |
| 8. | Time Office | - | 01 | - | 07 | - | 04 | 12 |
| Total | | 05 | 34 | 88 | 196 | 139 | 177 | 638 |

SOURCE: Office Records of BSSKN.

TABLE NO : 4.8

TABLE SHOWING THE COST OF PRODUCTION PER BAG

| Year | Including Cane Cost | Exculding Cane Cost |
|---------|---------------------|---------------------|
| 1984-85 | 204.75 | 405.00 |
| 1985-86 | 233.80 | 489.30 |
| 1986-87 | 264.82 | 431.90 |
| 1987-88 | 122.79 | 400.01 |
| 1988-89 | 95.84 | 397.23 |
| 1989-90 | 173.21 | 511.00 |

SOURCE : Office Records of BSSKN.

TABLE NO : 4.9.

TABLE SHOWING SALE PRICE PER BAG

| Year | LEVY SALE | | FREE SALE | | |
|---------|-----------|--------|-----------|--------|---------|
| | Export | Normal | Export | Normal | Average |
| 1984-85 | - | 318.24 | - | 440.56 | 393.15 |
| 1985-86 | - | 360.36 | - | 495.73 | 437.38 |
| 1986-87 | - | 377.62 | - | 504.32 | 436.65 |
| 1987-88 | - | 393.00 | - | 553.94 | 468.16 |
| 1988-89 | - | 402.87 | - | 545.04 | 484.58 |
| 1989-90 | - | 418.53 | - | 720.87 | 569.70 |

SOURCE : Office Records of BSSKN.

TABLE NO : 4.10.

TABLE SHOWING FINISHED GOODS INVENTORY. AND DAYS

AVERAGE SALES.

| Patticulars | 1984-85 | 1985-86 | 1986-87 | 1987-88 | 1988-89 | 1989-90 |
|----------------------|---------|---------|----------|----------|----------|----------|
| Finished goods | 85,540 | 64,775 | 1,02,120 | 1,87,760 | 1,67,910 | 1,90,960 |
| Less opening stock | 15,427 | 24,080 | 21,047 | 42,970 | 15,200 | 20,305 |
| | 70,113 | 40,695 | 81,073 | 1,44,790 | 1,52,710 | 1,70,655 |
| | 360 | 360 | 360 | 360 | 360 | 360 |
| Average sale per day | 195 | 113 | 225 | 402 | 424 | 474 |

SOURCE : Office Records of BSSKN.

NOTE : 1. Finished goods in number of bags

2. No. of working days is assumed to be 350.

TABLE NO : 4.11.

TABLE SHOWING THE LEVY AND FREE SALE SUGAR PERCENTAGE.

| Season | LEVY SALE % to total production | FREE SALE % to total production |
|---------|------------------------------------|------------------------------------|
| 1984-85 | 48% | 52% |
| 1985-86 | 55% | 45% |
| 1986-87 | 50% | 50% |
| 1987-88 | 50% | 50% |
| 1988-89 | 45% | 55% |
| 1989-90 | 45% | 55% |

SOURCE : Office Records of BSSKN.

NOTE : Whenever the Government releases, the order for free sale with in 30 days such a quota should be sold by the 15th of that month at least 50% of the release should be sold. The remaining 40% in the next 15 days.

TABLE NO : 4.12.

TABLE SHOWING YEARWISE LEVY AND FREE SALE RELEASES FROM THE
UNION GOVERNMENT

| Season | Leavy Sale (Bags) | Free Sale (Bags) | Total (Releases) |
|---------|-----------------------|----------------------|---------------------|
| 1984-85 | 48,948 | 77,319 | 1,26,267 |
| 1985-86 | 24,080 | 31,786 | 55,866 |
| 1986-87 | 55,808 | 48,703 | 1,04,511 |
| 1987-88 | 89,211 | 77,326 | 1,66,537 |
| 1988-89 | 45,390 | 61,349 | 1,06,339 |
| 1989-90 | 82,903 | 1,01,998 | 1,84,901 |

SOURCE : Office Records of BSSKN.

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