

## 14. Challenges of Cooperative Sugar Industry in Agricultural Development (With Special Reference to Nashik District)

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### Abstract

The cooperative sugar factories in Nashik district have played an important role in promoting rapid development of the cooperative movement. The study examines the challenges of sugar industry in agricultural development and employment generation in rural area of Nashik district.

**Keywords-** Challenges of Farmer, Employment Generation, Environmental Challenges, Agriculture Development.

### 1) Introduction

The Sugar Industry is the second largest industry next to textile industry. Sugar industry plays eminent role in economic development of India. The industry has a great significance in relation to agricultural development and industrial economy of the rural region of India. Sugar is an agro based industry located in rural areas sugar industry has provided the most effective instrument for carrying progressive trends into the country side. In the Nashik District six sugar factories were established in various places and played eminent roles in rural development namely Darkadish Cooperative Sugar Factory, Vasantdada Patil Cooperative Sugar Factory, Kadwa Cooperative Sugar Factory, Nashik Cooperative Sugar Factory, Kakasaheb Wagh Cooperative Sugar Factory, Niphad Cooperative Sugar Factory, but now days due to various problems in sugar industry only three sugar factories were in operation.

### 2) Statement of the problem

The cooperative sugar factories have made significant impact on the economic conditions of the rural economy. These cooperative sugar factories transforming the traditional rural economy into a new monetary economy by developing economic aspects and political aspects of rural economy

### 3) Hypothesis

While studying challenges of sugar factories in agricultural development, it was considered that the agricultural development of sugar factory depend on proper cooperative leadership, cooperation from cane cultivators, suitable infrastructure and financial support from the government.

### 4) Objective of the study

- 1) To study the role of sugar industry in agricultural sector for rural development
- 2) To study the challenges of sugar cane cultivators
- 3) To study the challenges of sugar factory and to suggest remedies
- 4) To study the role of government in sugar industry for agricultural development

### 5) Selection of Sample

The cooperative sugar factories are developed in Maharashtra state since independence. Now days in Maharashtra 236 cooperative sugar factories are established among 24 districts and they are classified in to South Zone, Central Zone, North East Khandesh, North East Marathvada, North East Vidharba. But researcher has select Nashik District for detailed study for Agricultural Development.

### 6) Method of study

The primary data are collected through the field work by providing questionnaire to the farmers, members of the board of directors of the selected cooperative sugar factory. The secondary data are collected from the annual report of the factory and financial report published by the Vasant dada sugar Institute.

### 7) Limitation of present study

- 1) It is a sample survey, based on the information collected from the selected cooperative sugar factory
- 2) Primary data are based on the personal interview of the farmers and members of the board of directors
- 3) Secondary data are based on annual report published by factory.

### 8) Role of Sugar Industry in Rural Development

#### 1) Employment generation

A cooperative sugar factory with crushing capacity of 1250 TCD has a potentiality to generate an employment to 500 workers on permanent basis, 650 workers during the season, almost 5980 workers for harvesting and transporting cane from field to factory. The rural resident in the command area of the cooperative sugar factory got gainful employment.

## 2) Payment of taxes by the sugar factory to the government

The cooperative sugar factory pays the government in the form of the Goods and Service Tax by 5% on cane sugar, 12% on sugar boiled confectionary etc. The fund which is collected from such taxes government reinvests all funds for rural development.

## 3) Migration of the rural residents

Cooperative sugar industry play important role in reducing the gap in their standard of living and prevents the migration of the rural residents to industrial towns. So rural industrialization can develops linkage with social and economic life for rural development.

## 4) Transport facilities

The cooperative sugar factories to get the regular supply of cane and other materials during crushing season, as a result the factory provided a number of transportation facilities such as trucks, tractors, trolley etc these activity linkage with urban and rural by good roads.

## 5) Development of cooperative leadership

The establishment of the cooperative sugar factory was mainly done by the chief promoters with the objective to improve the local leadership among the local sugarcane cultivators. This leadership helpful to the rural development to launch various government scheme in the field of insurance, loan procurement etc.

## 6) Development of Infrastructure in rural areas

Cooperative sugar factory for rural development covers all those programmes which touch all the aspects of human living for e.g. communication, education, health, supplementary employment, housing and social welfare.

## 9) Challenges Faced by Sugarcane Growers

The sugarcane growers from Nashik district has to face two problems, one is problems occurred during the cultivation and another problems occurred during the marketing of sugarcane which are as follows

1. Availability of seeds, fertilizers, pesticides, etc. in sufficient quantity
2. Fertility of land, Supply of water, Skilled Labour, Finance, Fertilizer, Pesticides,
3. Demand for sugarcane. Technical guidance,
4. Low rate for sugarcane Waiting in a long queue Dishonest in weighing weigh bridge
5. Unnecessary deductions in the name of toll, charges, etc. Delay in payment of instalments
6. Shortages of sugarcane buyers

Absence of these factors may affect the sugarcane cultivation and yields in terms of quality and quantity.

#### 10) Challenges of Sugar Factories in Nashik District

##### 1) Low Yield of Sugarcane:

Nashik has the lowest area under sugarcane cultivation; the yield per hectare is extremely low as compared to some of the major sugarcane producing district of the Maharashtra. For example Kolhapur District yield is 90 to 100 tonnes/hectare as compared to 50 to 60 tonnes in Nashik District. This leads to low overall production and results in short supply of sugarcane to sugar Factories

##### 2) Short Crushing Season

Manufacturing of sugar is a seasonal phenomena with a short crushing varying normally from 4 to 6 months in a year. The Factories and its workers remain idle during the remaining period of the year, thus creating financial problems for the industry as a whole

##### 3) Fluctuating Production Trends

Sugarcane has to compare with several other food and cash crops like Onion, Grapes, Pomegranate, Rice, Corn, Tomato etc. Consequently, the land available to sugarcane cultivation is not the same and the total production of sugarcane fluctuates. This affects the supply of sugarcane to the Factories and the production of sugar also varies from year to year.

##### 4) Low Rate of Recovery

It is clear that the average rate of recovery in Nashik is less than ten per cent which is quite low as compared to other major sugar producing District. For example recovery rate is as high as 14 to 16 per cent in Kolhapur, Sangli etc.

##### 5) High Cost of Production

High cost of sugarcane, inefficient technology, uneconomic process of production and heavy excise duty result in high cost of manufacturing. The production cost of sugar in India is one of the highest in the world.

##### 6) Small and uneconomic size of Factories

Most of the sugar Factories in Nashik is of small size with a capacity of 1000 to 1500 tonnes per day. This makes large scale production uneconomic. Many of the Factories are economically not viable

### **7) Old and Obsolete Machinery**

Most of the machinery used in sugar Factories is old and obsolete, being 50-60 years old and needs rehabilitation. But low margin of profit prevents several Factory owners from replacing the old machinery by the new one.

### **8) Competition with Khandsari and Gur**

Khandsari and gur have been manufactured in rural area is much before the advent of sugar industry in the organised sector. Since khandsari industry is free from excise duty, it can offer higher prices of cane to the cane growers. It is estimated that about 40 per cent of the cane grown in Nashik is used for making khandsari and gur and the organised sugar industry is deprived of sufficient supply of this basic raw material

### **9) Regional Imbalance in Distribution**

Five cooperative sugar Factories are established in Nashik District, but out of five sugar Factories two cooperative sugar Factories in operation. One of sugar Factory located in Dindori Taluka and another in Satana- Deola Taluka. This leads to regional imbalance

### **10) Low per Capita Consumption**

The per capita annual consumption of sugar in India was 20.5 kg per person but it has dropped to 18.5 kg per person in last two years. This result in low market demand and creates problems of sale of sugar

### **11) Role of Government in sugar industry for agricultural development**

Government has followed the following policies to encourage the sugar industry

- 1) It ensure remunerative cane price and adequate cane supply to the factory
- 2) It helps in protecting the interest of customers and promotes sugar export to earn foreign currency.
- 3) Timely provide capital to sugar industry as a booster dose

### **12) Suggestions**

Taking into consideration, the challenges of sugarcane farmers the following suggestions are given to sustain Sugarcane cultivation and to improve the economic conditions of sugarcane farmers.

- 1) In view of huge labour cost, appropriate capital intensive techniques (machinery to plant sugarcane stems, de- weeding and harvesting machines) are to be supplied by the government on subsidy basis.
- 2) Sugarcane farmers need to be educated on recent techniques of cultivation and Farm Management by government extension department functioning at Mandal level.

- 3) The sugarcane Factories are to be strictly instructed to purchase cane immediately after harvest without loss of weight.
- 4) The most important recommendation is, proper review of government policy of MSP.
- 5) Uninterrupted power supply need be ensured at least 8 hours in a day so that necessary irrigation from wells will be possible which affect the output.
- 6) Relation between the sugarcane growers and the factory should be always well knit.
- 7) There should be some systems for providing suitable seeds, fertilizers and pesticides to the member farmers.
- 8) There should be Option for factory's transportation service.

### Conclusion

In sugarcane cultivation techniques and technologies are changing every day. So it is essential to accept and apply of all these new things during cultivation. Sugar industry and cane farmers both of them should work with cooperation for reciprocal benefits because the benefits are interrelated and progress is correlated. Therefore, the sugar factories must take care of sugarcane growers by providing materials and information when required. In order to improve the relation between the farmers and the factories

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