



PROGRESS OF CO-OPERATIVE SUGAR FACTORIES IN MAHARASHTRA

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Abstract:

The co-operative sector in Maharashtra has played a vital role in the overall development and integration of the state. Cooperative experts like Vitthalrao Vikhepatil, Tatyasaheb Kore, Vasantdada Patil, Dhananjay Gadgil spent their lives to make this movement a success. Due to this, sugar factories, textile mills, water supply institutes, consumer stores, agricultural institutes, co-operative banks have developed in Maharashtra on co-operative basis. The role of co-operative sugar factories in the overall development of Maharashtra is remarkable. Co-operative sugar mills have played a major role in providing regular income to farmers in rural areas, creating direct and indirect employment, developing sugarcane farming and developing ancillary occupations. But after a successful career of 100 years, the sector is currently facing major challenges. Due to the selfish leadership as well as the apathy of the members, many problems have arisen in this area. Co-operative sugar factories have become a hotbed of politics and political leadership is being created from them. Control over the resources of sugar cooperatives enables them not only to get elected to the state assembly and the parliament but also provides their respective parties one of the major avenues of finance and other resources during the general elections so as to enable the party to win as many seats as possible. However, it cannot be said that the co-operative sugar factories in Maharashtra have failed. This research paper is an attempt to know the progress of co-operative sugar factories in Maharashtra in last 10 years.

Keyword: Cooperative, Cooperation, Sugar Factories, Political Leadership, Development

Introduction:

Sugarcane is the primary cash crop among farmers of the western Maharashtra region. The sugarcane is mostly sold to sugar mills for sugar production. Majority of these mills are cooperatives owned by the sugarcane growers. Solapur district has highest number of sugar factories in Maharashtra. The cooperative movement for the sugar industry started in the 1960s in Maharashtra with the announcement of 12 places in the state where sugar factories could be established. The then Bombay state government announced a capital share of one million rupees to establish sugar factories at these potential 12 places. A central committee was formed by Bombay State Cooperative Bank under the chairmanship of economist Dhananjayrao Gadgil. Asia's first cooperative sugar factory was established at Pravaranagar in the Ahmednagar District of the then Bombay state in 1950 by Vithalrao Vikhe Patil, & Gadgil. The sugar mill, called Pravara Sahakari Sakhar Karkhana Ltd, had majority ownership by the local farmers. Over the last sixty years, the local sugar mills have played a crucial part in encouraging rural political participation and as a

stepping stone for aspiring politicians. In Maharashtra there are a large number of politicians belonging to the Congress or NCP with ties to sugar cooperatives from their respective local areas. Unfortunately, mismanagement and manipulation of the cooperative principles has made a number of these operations inefficient.

Objectives:

1. To understand Sugar industry in Maharashtra and India.
2. To know present scenario in Cooperative sugar industry in Maharashtra.
3. To study difference between declared price and actual price of sugar cane during last decade in Maharashtra.
4. To study average extraction percentage of Cooperative Sugar Factories in Maharashtra.

Methodology of the Study:

The paper is mainly based on secondary source data collection. Far collection of data researcher studied Economic Surveys of Maharashtra, published by Maharashtra Government during last decade. Also researcher visited different websites for gather the information related to sugar industry in Maharashtra as well as India.

Discussion and Presentation of Data**Indian Sugar Industry**

Sugar Industry in India is well maintained and is growing at a steady pace, boasting of a consumer base of over billions of people. India is the second largest producer of sugar over the globe. With more than 45 millions of sugar cane growers in the country, the bulk of the rural population in India depends on this industry. One of the agro-based industries in India, the sugar industry is the second largest agricultural industry followed after the textile industry. There are more than 700 installed sugar factories in the country with crushing capacity of about 340 lakh MT of sugar and annual turnover of about Rs 80,000 crore. These numbers reflect the important role the sugar industry plays in India's economy. Releasing the production figures, Isma said mills in Uttar Pradesh, the country's largest sugar-producing state, have produced 105.62 lakh tonne of sugar till April 2021, which is 10.90 lakh tonne lower than 116.52 lakh tonne

achieved by them last year on the corresponding date.

Maharashtra Sugar Industry

Maharashtra Sugar Industry is one of the most notable and large-scale sugar manufacturing sectors in the country. The pace of growth of sugar manufacturing has been massive over the past few years. The latest statistics of sugar production in Maharashtra indicates that this state is doing better than the other states in the country. The Sugar industry in Maharashtra is highly popular in the cooperative sector, as farmers own a portion in the sugar factories. The Maharashtra Sugar Industry has seen a spectacular growth owing to the different conducive in the state. One of the chief crops manufactured in Maharashtra is sugarcane, with a host of sugar industries been set up over the years. At present there are 173 cooperative sugar factories in operation. Maharashtra accounts for 20% of sugar production in India behind Uttar Pradesh at 24%.

1.4.3: Cooperative Sugar Factories in Maharashtra

Year	No. of Sugar Factories		Operating %	With Distillery Plants	% to Operating Factories	With Co-generation plants	% to Operating Factories
	Registered	Operating					
2010	202	111	54.95	64	57.66	27	24.32
2011	202	123	60.89	65	52.85	32	26.02
2012	202	119	58.91	68	57.14	37	31.09
2013	202	108	53.47	68	62.96	39	36.11
2014	202	96	47.52	69	71.88	46	47.92
2015	202	99	49.01	69	69.70	47	47.47
2016	202	99	49.01	69	69.70	51	51.52
2017	179	87	48.6	69	79.31	57	65.52
2018	178	101	56.74	69	68.32	59	58.42
2019	175	102	58.29	68	66.67	60	58.82
2020	175	79	45.14	68	86.08	60	75.95
2021	175	95	54.29	68	71.58	60	63.16

(Source: Economic Survey of Maharashtra 2010 to 2021)

Above table shows number of Cooperative Sugar Factories registered, Working, working with Distillery Plants and Working with Co-generation Plants in Maharashtra State from the year 2010 to 2021. Highest 60.89% of registered factories were working in the year 2012, whereas strength of operating sugar cooperative factories were lowest during the decade. Average 48.16% Co-

operative registered Sugar Factories are in working in Maharashtra State. Out of these operating factories 67.82% are working with distillery plants and 48.86% of factories are working with cogeneration plants.

Fair and Reasonable Price and Actual Price Paid

Year	FRP	Paid	Difference	Percentage
2010	1298	2100	802	61.79
2011	1450	2000	550	37.93
2012	1700	2025	325	19.12
2013	1700	2450	750	44.12
2014	2100	2467	367	17.48
2015	2200	2540	340	15.45

2016	2300	2734	434	18.87
2017	2300	2731	431	18.74
2018	2550	2869	319	12.51
2019	2477	1976	-501	-20.23
2020	2566	2160	-406	-15.82
2021	2588	2359	-229	-8.85

(Source: Economic Survey of Maharashtra 2010 to 2021)

Price paid by sugar factories is the only income source of farmers growing sugar cane. Above table shows Fair and Reasonable Price of Sugar Cane and Actual Price Paid by Cooperative Sugar Factories during last decade. With

exception of last three years sugar factories always paid more than FRP. In the year 2010 sugar factories paid 61.79% more than FRP but in the in the year 2019 factories paid 20.23% less than the FRP.

Sugar Cane Crushed and Production Made

Year	Sugar Cane Crushed	Increase/Decrease %	Production Made			
			Sugar Lakh MT	Increase/Decrease %	Molasses Lakhs MT	Increase/Decrease %
2010	614.47		71.06		16.5	
2011	664.8	8.19	75.38	4.32	26.59	10.09
2012	591.4	-11.04	69.4	-5.98	23.7	-2.89
2013	504.63	-14.67	58.4	-11	36.4	12.7
2014	486.72	-3.55	56.52	-1.88	27.04	-9.36
2015	589.47	21.11	67.69	11.17	37.2	10.16
2016	483.49	-17.98	55.81	-11.88	19.36	-17.84
2017	268.2	-44.53	30.65	-25.16	10.7	-8.66
2018	573.35	113.78	65.69	35.04	22.91	12.21
2019	557.55	-2.76	64.06	-1.63	22.3	-0.61
2020	532.95	-4.41	59.82	-4.24	13.47	-8.83

(Source: Economic Survey of Maharashtra 2010 to 2021)

Sugar is the main product of Sugar factories whereas Molasses, Plywood and Papers are by-products of the factories. Maximum of the factories are trying generate income by maximizing production. Above table shows crushing of sugar cane along with production of sugar and molasses made by cooperative sugar

factories during the last decade. Crushing of sugar cane in Maharashtra is continually decreasing during last decade which affected production of sugar and molasses. But the rate of decrease is highest is of Crushing of sugar cane among the three

. Average Extraction Percentage of Sugar

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Extraction Percentage	11.56	11.34	11.7	11.57	11.61	11.5	11.55	11.43	11.46	11.49	11.22	11.16
Increase / Decrease		-1.90	3.17	-1.11	0.35	-0.95	0.43	-1.04	0.26	0.26	-2.35	-0.53

(Source: Economic Survey of Maharashtra 2010 to 2021)

Recovery rate is the amount of sugar that sugarcane fetches and higher the quantum of sugar derived from sugarcane, greater the price it fetched in the market. Average recovery rate of sugar cane is 11.70% in the year 2012. Whereas lowest rate of recovery was 11.22% in the year 2020. Average rate of recovery shows decreasing trend in said years.

Conclusions : More than 50% of registered co-operative sugar factories are in locked down

situation, which is mainly due to heavy loss suffered by them. It is not a good sign for cooperative sector in Maharashtra.

1. More than 2/3 of operating co-operative sugar factories are working with distillery plants and 1/2 of working factories are working with cogeneration plants. It means sugar factories are now taking efforts for by-products. If by-products produced in proper manner profitability of the factories will be

increased. Also it will help economic development of the state.

2. Payment of Sugar Cane price less than FRP is not good sign for industry. It will adversely affect moral of the farmers and production of sugar cane in Maharashtra. Also it creates conflicts between farmers and sugar factories.

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