CHAPTER - 7

PROBLEMS OF SUGARCANE TRANSPORTATION
A) ADMINISTRATIVE PROBLEM:

Sugar factory is treated as a large scale industry. Every large scale industry requires proper administration. Following is the list of Administrative problem of sugar factory.

1) Problem of managing Agriculture department.
2) Problem regarding transportation of sugarcane from field to factory gate for crushing.
3) Problem regarding Accounting department staff.
4) Problem of managements of harvesting and transportation labour.
5) Problem regarding fieldman, sleep-boy, Gang-man etc.
6) Problem regarding sugar storage.
7) Problem of disposal of molases.
8) Problem in managing requiring daily supply of good sugarcane.
9) Problems of shareholders.

B) TECHNICAL PROBLEMS:

These are given as follows

1) Total hours lost due to shortage of sugarcane.
2) Less capacity utilisation due to insufficient supply of sugarcane.
3) Reduced mill extraction R.M.E.
4) Reduced boiling house Recovery.
5) Crushing of stale sugarcane.
6) Crushing of immature sugarcane which results into decrease in sugar recovery.
C) FINANCIAL PROBLEM:

Finance is blood of any industry. Being a large scale industry, it requires large amount of finance for carrying out day to day activity. Following is the list of the financial problems of sugar factory.

1) Increasing demand of wages from sugarcane harvesting and transportation labours.
2) Increasing demand of salary and Bonus from office staff.
3) Increasing prices of sugarcane every year.
4) Increase in sugarcane transport cost, due to shortage of sugarcane in working area.
5) Interest in processing cost.
6) Financial assistance to sugarcane growers for increasing area under sugarcane crop.
7) Purchasing of modern plant and machinery and tools.
8) Interest on loan taken by the sugar factories.
9) Problems of modernisation machinery and equipment.
10) Problem of Govt. taxes.
11) Problem of investment in ancillary industries started by factory
12) Problem of repayment of borrowed capital.
13) Increase in the amount of dividend.

7.4 SICKNESS IN SUGAR INDUSTRY:

Indian sugar industry is highly sensitive to various factors. Sugar is a very sensitive commodity in Indian economy. sickness in the sugar industry is spreading at a very alarming rate particularly it is more serious in the co-operative sector. (C.P. Balsubramanian -1985). But sickness of sugar industry is
not a recent problem. So many committees have been appointed by the central and state Govts. to study the various problems of sickness and for the proper development of the industry.

7.4:1 COMMITTEES APPOINTED BY THE CENTRAL GOVT. :

A) INDIAN SUGARCANE COMMITTEE (1919).

The progress of sugar industry during 1903 to 1919 was very slow. Because the industry had to face many problems in the initial stage. So Indian sugar committee was appointed in 1919 to study the various problems regarding the production of white sugar. Committee made 135 recommendations but all were neglected by the Central Govt.

B) SUGAR COMMITTEE (1929).

The Imperial Council of Agricultural Research appointed another committee for the rehabilitation of the Industry, in 1929. This committee recommended the Govt. to institute enquiry through the Tarrif Board regarding the protection to the Industry. the grant of protection in 1932 opened the glorious chapter in the history of Indian sugar industry.

C) FACT FINDING COMMITTEE (1958).

During the second world war and post war periods, sugar controls hampered the growth of the sugar Industry, leading to stagnation. The Govt. appointed a fact finding committee on Khandsari sugar in 1958.

D) SUNGUDE RAO COMMITTEE (1963).

The Government of India appointed a committee on Rehabilitation and Modernisation of sugar factories in India,
under the Chairmanship of S.N. Gundu rao to examine the problems of the old and uneconomic units.

E) SUGAR ENQUIRY COMMITTEE (1964).

In August 1964 a sugar Enquiry commission was appointed under the charimanship of Dr. S. R. Sen to study economics and cost structure of sugar (R.V. Sinha 1988)


The sugar Industry Enquiry commission under the charimanship of Shri. V. Bhargav was appointed in 1974 to study various problems of the industry.

I) COMMITTEE APPOINTED BY THE GOVERNMENT OF MAHARASHTRA.

The Government of Maharashtra has appointed two committees for the rehabilitation of sick co-operative sugar factories.

a) THE GULABRAO PATIL COMMITTEE : (1980)

The rehabilitation committee under the chairmanship of late Gulabrao Patil was appointed on 15th October, 1980 to examine the problems of sick co-operative units in Maharashtra.

b) THE SHIVAJIRAO PATIL COMMITTEE : (1987)

The committee for recommending a package programme for rehabilitation of sick sugar factories in co-operative sector of Maharashtra under the charimanship of Shivajirao Patil was appointed on 25th May 1987.

The appointment of these various committees reveal the fact that sickness in sugar industry has become important problem.
7.4:2 **CAUSES OF SICKNESS OF SUGAR FACTORY IN THE DISTRICT:**

There are many causes of sickness of sugar industry but most important is shortage of sugarcane in the working area. From the analysis of crushing it is found that, many sugar factories not getting required sugarcane for crushing in working area. Sugarcane is brought from long distance and sometime out of the state. It result into lower recovery, because when sugarcane is brought from long distance it is crushed after 15 to 20 hours of harvesting and long distance of sugarcane transportation, it results in high sugarcane transportation cost. Following are the causes of sickness of sugar industry.

1) **Sickness is related to the yield of sugarcane per hectare and proportion of Adasali to total sugarcane.**

2) **Sickness is related to availability of sugarcane, proportion of sugarcane supplied by members, proportion of cane from within area of operation and cane diverted.**

3) **Sickness is related to proportion of sugarcane transported by bullock carts and distance.**

4) **Sickness is related to annual rainfall and proportion of sugarcane area under well irrigation.**

5) **Sickness is related to financial factors.**

6) **Sickness is related to cane price and harvesting and transport charges.**

7) **Sickness is related to current ratio, Networth, Net profit and dividend.**

8) **Sickness is related to the technical factors.**
9) Sickness is related to capacity utilisation total hours lost due to shortage of sugarcane.

10) Sickness is related to Reduced Mill Extraction, Reduced boiling House Recovery, Total sugar loss and recovery.

7.5 PROBLEMS OF CO-OPERATIVE SUGAR FACTORIES IN THE DISTRICT

Efficient and timely system of transportation is the life blood of sugar industry. If the sugarcane is not crushed within eight hours after harvesting it increases fibre percentage in sugarcane as well as purity of the juice percentage.

Co-operative sugar factories running efficiently in Ahmednagar district is not getting sufficient sugarcane for crushing, when sugarcane is not available in working area, factory carrying fresh sugarcane from outside of working area, and thereby spending heavy amount of sugarcane transportation. Every factory facing a problem of shortage of sugarcane. Shortage of sugarcane is the main cause of sickness of sugar industry apart from this there are so many problems of sugar factories.

Following are the same important problems of co-operative sugar factories in Ahmednagar district.

1. SHORTAGE OF SUGARCANE:

In the above study analysis it is found that many co-operative sugar factories are not getting required sugarcane for crushing sugar factories carrying sugarcane from outside of working area and spending heavy amount on sugarcane transportation parner, sanjivani kopargaon, pravaranagar factories having high sugarcane crushing capacity per day.
These factories carring sugarcane from 150 to 200 km.

In the year 1989-90 pravara co-operative sugar factory brought 61 percent sugarcane from outside of working area. In the year 1988-89 sanjivani factory brought 74.71 percent sugarcane from outside of working area.

Shortage of sugarcane is the main cause of sickness in sugar Industry.

2. ROAD CONDITION AND SUGARCANE TRANSPORTATION:-

Sugarcane is brought from farm to factory by means of bullock cart, tractors and trucks but the rural roads are not in good condition. The speed of truck and tractor found 10-15 percent on kattcha road. In such condition there is higher consumption of petrol, diesel and oil. There is need prepare good surface road for quick transportation of sugarcane from farm upto the factory.

3. CRUSHING CAPACITY UTILISATION.:-

Sugar factories should utilise their full per day crushing capacity. Many factories in the district are not utilising their full crushing capacity due to shortage of sugarcane in the working area. For increasing season days some factories are carring sugarcane from out side states.

4. SUGARCANE TRANSPORTATION FROM OUT OF STATE :-

Sugar factories in the district carrying sugarcane from out of Maharashtra state. Sanjivani factory brought sugarcane outside of Maharashtra state it was 13235 mt and 53262 mt in the year 1987-88 and 1988-89 respectively. In the year 1988-89 Kopargaon factory brought 36791 mt sugarcane from out of
Maharashtra state.

Ganesh factory also having a problem of shortage of sugarcane. In the year 1988-89, this factory brought 33959 mt sugarcane from outside of Maharashtra state.

Thus when sugarcane transportation from 200 to 300 miles it result into increase in sugarcane transportation cost and again reduction in profit of sugar factories, when sugarcane is transported from out of the state for crushing, it results into stale sugarcane crushing and thereby reduces sugar recovery of sugar factories.

5. LOW SUGARCANE CRUSHING CAPACITY :-

The per day crushing capacity of Jagadamba and Vrudheshwar factory is 800 tcd. per day. There is a need to increase sugarcane crushing capacity of these factories.

The daily crushing capacity of parner factory is 1250 TCD per day and capacity of Ganeshnagar war 1750 TCD. per day.

For making unit more viable daily minimum crushing capacity should be 2000 mt. Therefore there is a need to increase sugarcane crushing capacity of these units which are having crushing capacity below 2000 mt per day.

Increase in crushing capacity require more sugarcane, therefore area under cultivation should be increased in the working area of these factories.

6. INCREASE IN SUGARCANE HARVESTING RATE :-

Sugarcane harvesting rates are increasing every year. In the year 1973-74 per ton harvesting rate was Rs.7.85 it increased upto Rs.36.60 in the year 1992-93 harvesting rate is increased due to demand of harvesting laboures and Government.
order to increase sugarcane harvesting rate.

7. INCREASE IN SUGARCANE TRANSPORTAION RATE :-

Sugarcane transportation rate by bullock carts, and trucks are increased due to demand of cartmen and owners of trucks.

Per ton sugarcane transportation cost by bullock cart upto first mile shows increasing trend. In the 1981–82 the rate was Rs. 0.06 it increased upto Rs. 1.14 in the year 1991–92.

During the same period next per ton per mile sugarcane transportation cost also increased from Rs. 0.30 to Rs. 3.00

Sugarcane transportation rate by truck also increased. In the year 1986–87 for transportation of one MT sugarcane from 100 miles the cost was Rs. 81.45 it increased upto Rs. 145.05 in the year 1991–92.

Increase in sugarcane transport rate results into increase in sugarcane transportation cost and it reduces profitability of sugar factories.

8. INCREASE IN PROCESSING COST :-

Sugar factories processing cost increasing every year. The processing cost of Vrudheshwar factory is higher being a small unit the processing cost percentage was 61.79 percent in the year 1987–88. In the year 1986–87 the processing cost of parner co-operative sugar factory was 71.14 percent compared to other factories processing cost percentage the percent of these factories found higher because lower per day crushing capacity processing cost of every factory shows increasing trend because increase in the price of coal, chemical ,machinery and wages.
9. PROBLEM OF STALE SUGAR CANE CRUSHING :–

When sugarcane transported from out of Maharashtra state for crushing, there is time lag in harvesting and sugarcane crushing. The sugarcane weight and recovery is reduced when there is crushing of stale sugarcane. For increasing sugar recovery factory should have to avoid stale crushing. Some factories in the district crushing stale sugarcane and thereby it affects recovery of sugar.

10. PROBLEM OF SUGAR CANE TRANSPORTATION AND HARVESTING LABOURES:–

Labour engaged in sugarcane harvesting and transporting work gets job only for four to five months in the year. When the season is over these workers are free, therefore now in a days laboures are not interested in harvesting and transportation work. They are demanding more wages and more facilities to the managements. Factories will have to carry laboures from Parner, Patherdi and Jamkhed talukas, harvesting workers are working as per their willingness.

11. AREA UNDER SUGAR CANE CULTIVATION :–

After the discussion with certain sugarcane growers. It is understood that there is a possibility in reduction of area under sugarcane crop in feature because of indefinite water resource, longer period i.e. 12 to 18 months for sugarcane growing, cultivation cost of sugarcane and low per hectare, yield of sugarcane crop farmers are taking other crops instead of sugarcane. Onion, wheat, Jawar, Tur, gives more per hectare return to the farmers, when compared to the sugarcane crop. If area under sugarcane is reduced, factories will have to face the problem of shortage of sugarcane and finally decide whether to
run the factories or not in feature period.

12. LOW PER HECTARE YIELD OF SUGARCANE :–

All farmers are not well educated they are unknown about the new early ripening varieties of sugarcane hence the per hectare yield will be affected. Adsali sugarcane having higher per hectare yield when compared to suru and Ratoon crop but Adsali crops take long time i.e. 18 to 20 months. After the interview made with some farmers it is found that per acre yield of Adsali crop is 40 to 50 mt, suru crop 25 to 30 mt and ratoon crop 10 to 15 mt. This yield is not beneficial to the farmers.

Factories in the district giving subsidly, fertilizers and loans to sugarcane growers but it is used by the farmer for his personal need i.e. sons marriage, daughters marriage, and therefore average per acre yield reduced in high rates.

13. OVERLAPPING VILLAGES AND SURROUNDING FACTORIES :–

In Ahmednagar district co-operative factories facing the problems of shortage of sugarcane. Each and every factory having surrounding factories and overlapping sugarcane supplying villages. When there is surrounding factory and overlapping sugarcane village, there is competition among the factory to bring the sugarcane from overlapping villages. Sugarcane growers gives their sugarcane to those factories giving good rate for their sugarcane. Other units are affected. Genesh factory having 8 overlapping factories in nearby area. Ashok and Kopargaon factories having 6 overlapping factories in nearby area.
14. SMALL AREA UNDER SUGARCANE CROP:

There is variation in the area under sugarcane crop the area in the range of 1/2 acres to 3 acres depending upon availability of water. In the observation and in personal interview it is found that many farmers having area under sugar cultivation in the range of 1/2 to one acres it is not beneficial to the farmers and not giving reasonable return.
CONCLUSIONS.

Sugar industry is agro-based industry. In this chapter problem of sugarcane transportation is given in detail. General problems of sugar industry in brief shortage of sugarcane is the important factor of sickness in sugarcane industry.

In Ahmednagar district Kopargaon, Sanjivani and Parner factories carrying sugarcane from outside of Maharashtra state. When sugarcane is carried from long distance it result into heavy transportation cost of sugarcane. On Kutchha road it is very difficult to transport of sugarcane. The per hectare yield of sugarcane crop is not satisfactory, other crops give good return to the farmers therefore farmers are not interested in sugarcane crop.

When the sugarcane is transported from out of Maharashtra state, it take long time in transportation and then factory will have to crush stale sugarcane. Stale sugarcane crushing result into low recovery of sugarcane.

Small area under sugarcane crop, that 1/2 acres and one acres not gives reasonable returns to the farmers. The per hectare yield of Ratoon crop and Suru crop is not also satisfactory.

The harvesting and transportation rates of sugarcane increasing because of demand made by the harvesting and transporting labours.

Thus problems of sugarcane transportation are genuine in sugar industry. Productivity of sugar industry depends upon availability of sugarcane in the working area of each factory.
If sugar factory gets 100% sugarcane for crushing in working area. Then sugarcane transportation cost will be reduced, and being availability of fresh sugarcane, the factory will increase its sugar recovery. For avoiding shortage of sugarcane there is a necessity to increase in area under sugarcane crops.