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CHAPTER VII

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7.1 CONCLUSIONS

It is evident from the preceding chapters that the Kolhapur district has a large potential for the agro-based industries. The purpose of this chapter is to sum up main conclusions of the study to get comprehensive view on the basis of the conclusion. An attempt is also made to discuss the agro-based industrial problems and prospects of them. The suitable suggestions are also made in this chapter, to change the existing situations and thereby to change and achieve the appropriate development of agro-based industries in the study region.

The following conclusion are drawn from the past successive chapters.

As per the census 2001 there were twelve tahsils, twelve towns and 1203 villages existed in the district.

There is a variation in the topography of the district. It is a part of Deccan table land and slopes towards south-east. Physiographical the district is divided into three parts e.g. Sahyadri hills (45.64), Plateau (30.53) and low lands (23.83).

The region has the different river valleys and grids of tributaries. Geologically the Sahyadri hills are mainly consist of Deccan trap with inter trepan beds; some patches of Dharwar system and Penganga beds are found.

The district has deposit of bauxite ore and building stones and some capping of laterite stones in the west part of the district.

There were many irrigating dams and Kolhapur type of weirs were constructed for the irrigating the land livelihood of the district.

The climate of the district is generally temperate. The district has got rainfall mainly from monsoon. The amount of rainfall decreases towards the east. The average rainfall of the district is almost between 600 mm to 6000 mm.

The soils of the district is divided into the three categories e.g. Laterite in the western part, shallow and medium black in the middle part and black soils in the eastern parts.
The district has 21.85 percent area under forest. The thick forests are found in the western hilly parts of the district. There are sub-tropical moist deciduous and semi-evergreen and the dry deciduous and semi-evergreen forest are found in the district.

The population of the district is 35.23 lakh as per 2001 census with density of 455 persons per km². The district has 29.8 per cent urban population. The Karveer, Hatkanangale thasils are highly urbanized tahsils. As per the 2001 census the literacy of the district is 76.93 percent.

As per 2001 census the district has 1196 inhabited villages, particularly rural settlements were found in the district. There were 18 towns found in the district ranging from I to class VI categories. Kolhapur and Ichalkaranji are the class one towns.

The Karveer and Hatkanangale tahsils are industrialized and urbanized tahsils.

The largest use of water is in the agriculture for irrigating of the land. The important sources of irrigation are wells, canals and lift irrigation. There were 36.27 percent is the surface irrigation, 58.87 percent of well and 4.86 percent other sources of irrigation. The highest percentage of irrigation is observed in Shirol, Hatkalangale and Karveer tahsils having 30 percent and above of gross area irrigated. There western hilly region has not enough irrigation facilities. Total 4 major, 2 medium and 47 minor irrigation projects are constructed in the district.

The geographical area of the district is 7, 76,261 hectares. The net sown area is 4, 47,764 hectors. It means the 57.68 percent to geographical area of the region. The 78.05 percent area come under forest, 10.04 percent area was not available for cultivation, other uncultivated area 9.79 percent and fallow land is 4.44 percent. The tahsils situated in the western hilly zones have less percentage of cultivable land as compare to the regions average.

The cattle are the main pillars of the farm life; it provides subsidiary occupation for the peoples living in hilly and drought prone areas where farming may not sustain the family of the farmer. Out of the total livestock there were 72.82 percent bovine animals out of them 52.11 percent buffaloes and 20.71 percent cattle. The role of cows and buffaloes is important in the dairy development in the district.
The considerable strength of buffaloes lies in the Shirol, Ajara and Panhala tahsils of the district.

The Kolhapur district has been using farm tools since time immemorial. The wooden, iron plough, bullock carts, oil engines, electrical pumps, threshers, harrows are operated in the district. The western hilly tahsils have considerable proportion of wooden ploughs. The density of iron plough is very high in the Chandgad, Gadhinglaj, Panhala, Ajara and Bhudargad tahsils of the district. The highest density of electric pumps per thousand hectares was recorded in Gadhinglaj tahsil. Majority of tahsils have highest density of oil engines as compare to the district density (14.19%). The highest density of tractors was found in the Karveer (25.39%) followed by Panhala (25.12%), Kagal (16.31%) and Shirol (11.74%). The lowest density was found in the western hilly tahsils of the district.

The modern input e.g. irrigation, farm implements, mechanical power, use of fertilizers and high yield varieties seeds were used in the district to meet the requirements of increasing population and demand from agro-based industries.

The batter financial base was observed in the district. The district has 207 branches of district central co-operative banks. Among them 16 state agricultural and rural development banks fulfill the requirement of the finance for the agricultural development in the district. The Karveer, Kagal, Shirol and Hatknangale got benefit of loans from these institutes.

The electricity grid was well developed in the district. The rural electrification was done very well in the district, there was 98 percent electrification done in the district.

There were 59.89 percent electricity was used in various industrial areas. Whereas 19.64 percent electricity was consumed for domestic purpose and 20.47 percent was used for agricultural sector during 2008.

There is the structural development of markets observed in the district. There are 4 regulated, 21 sub markets, 218 district primary markets societies were developed in the district.
The district has well developed transportation and communication system. The district has enjoyed a good transportation and communication systems e.g. road, rail and village roads are well developed.

Majority of the farmers are conversant with recent development in agricultural which has been adopted by them. All these intensified particularly in the sugarcane zone of the district.

Industrial development in the district has been done in the 20th century. The great historical monarch king Chhatrpati Shahu Maharaj was the pioneer of the industrial development of the Kolhapur dynasty.

The district has been endowed with natural resources. It has got benefit in field of agriculture. The eastern tahsils of the district are well developed in the field of both in agriculture as well as industry particularly in the co-operative sector.

For the efficient development of the industries in the district the different sectors have made effective efforts by the individual personalities and government agency. It is possible due to the dream and foresight of the eminent personalities in the district including Tatyasheb Mohite, Dattajirao Kadam, Tatayasaheb Kore, Deshbhakatt Rattanappanaa Kumbhar and Sare Patil.

Chhatrapati Shahu Maharaj had made continuous efforts for the development of industries. He would give all types of help to the entrepreneurs in his historical dynasty. He started spinning mill at Kolhapur in 1906 and sugar mill in 1934 at Kolhapur on the cooperative basis. Specifically he made efforts to emphasize on agro-based industries. He was the strong supporter of the indigenous entrepreneurs.

In 1941 Shivaji Udyamnagar co-operative society was established where 185 plots were developed. J. P. Naik was the pioneer of the establishment of this industrial estate he made efforts with the valuable help of Late Shree Rajaram Maharaj of Kolhapur dynasty.

Late Mahadaba Mistri the mile stone in the field of making of oil engines which he made ‘Vishvas Engines’
Deshbhakatta Ratanappaanna Kumbhar worked in the field of co-operative sector like Sugar factories and the spinning mills.

Tatayasaheb Kore was another Stalwart in the field of co-operation; he made the efforts to start the Warana sugar factory at Warananagar.

Late Shree Dattajirao Kadam was the real corporator who has spent his life for the development and spread of the co-operative sector.

In the eastern part of the district late Shree Shamrao Patil Yadravkar made an effort for the development co-operative factories.

Shree Sadashivrao Mandlik still is working in the field of corporate sector.

The co-operative movement is the backbone of the economic development of the district. The standard of living of the people of the district has been raised due to the co-operative development.

Chhatrapati Shahu Maharaj has laid foundation stone of co-operative movement 1912. The textile industry concentrated at Ichalkaranji its future known cluster has been sanction in and around the textile centre Ichalkaranji.

There were 21 sugar factories in the district. The number of co-operative institution has been engaged to distribute the loans and credit to the farmers in the district. As per the direction and decision of the Government of the Maharashtra industries were dispersed form heavily congested areas of Bombay, Thane and Pune. It impact has been seen in the field of all spheres of industries of the district.

Kolhapur district is well known as an industrially developed district in the Maharashtra. The recent developments were made by the efforts of able leadership of Y. P. Powar.

In the sixties the majority of the foundries and engineering estate were established. However the demand was rightly increased from the agricultural sectors because various tools and techniques were demanded from this sector.

For the industrial development of the district MIDC was established in 1962 in the district. It is a nodal agency established for the provision of industrial infrastructure for systematic development. In the district there were industrial estates
developed at Kagal (5 star), Gokul-Shirgaon, Shivaji Udayamnagar, Gadhingalaj, Yashwantnagar, Hatkanangale and Ajara. Maharashtra State Khadi and Village Industries Commission has been started to promote and develop the khadi and village industries at different places in the district. Unemployed would get an opportunity of village through cottage industries with the help of the Maharashtra State kahadi and village industries Commission.

The District Industrial Central was started in 1979 at Kolhapur. It is an important centre for the development of industries because it provides some margin money for the new entrepreneur, for the establishment of industrial units apart from that it provides infrastructural facilities to them. It has worked and given training to the entrepreneurs and encourage to them.

The land use pattern of the district was changed in time immemorial. The net sown area of the district was by 103.42 times. The area under forest of the district has been diminished by 2.28 percent. The 10.07 per cent was treated as land not available for the cultivation generally in westerns tahsils Radhanagar, Shahuwadi, Chandgad and Karveer of the study region. Very little that 3.47 percent of land is treated as fallow land in the district. More than 5 per cent area is known as fallow in the Ajara, Bhudargad and Panhala tahsils of the study region. There was 10.07 per cent was treated as land not available for the cultivation generally in westerns Radhanagri tahsil. There was 5.07 percent as land under forest. The Gadhingalaj tahsil have noted highest proportion of this net sown area to gross cropped area fallowed by Kagal, Shirol and Hatkanangale. Radhanagri tahsil has recorded very least net sown area of the district.

The land use efficiency of the district was increased from 112.92 to 126.48 times during the 1985-86 to 2002-2003.

The cropping pattern of the district has been changed. The dominance was seen first with the crops like rice fallowed by groundnut sugarcane and jawar. The gross cropped area of the district was increased considerably. The sugarcane is cash crops increasing trend and so the area under cereals shows decreasing trend.

The share of the sugarcane to the gross cropped was increased from 17.44 per cent and reached up to 131.75 percent from 1990-95 to 1995-2000. The area underground nut was decreased but the area under total oil seeds was increased
138.31 per cent. The area under fruits and vegetables are doubled. The remaining crops among them are spices, total fibers, drugs and narcotics shows decreasing trend. The gross coped area of the district is still increasing. Farmers of the study area were thinking about cultivation of the sugarcane. A considerable thing is that the fiber crops in the study region stands on its vanishing stage.

The increasing trend of cash crops like sugarcane and ground fruits and vegetables in the study region is favorable for the functioning of the agro-based industries.

The western tahsils having hilly terrain has a considerable area under rice among the Radhanagri, Bhudargad, Karveer and Ajara tasils of the district. These tahsils have an area under rice more than 30 percent to it gross cropped area.

Among cereals the jawar has acquired only 4.64 per cent of the gross cropped area of the district. Hatkanangale tahsil is the only leading tahsil having 13.71 per cent area under jawar to its gross cropped area. It shows decreasing trend in the study region.

Only 1.39 per cent area came under the wheat of the total gross cropped area. There is only 4.70 per cent area out of the gross cropped area of the district came under pulses and it would shows continuous decreasing trend.

Every tahsil has area under sugarcane and now the district have 17.80 per cent area under sugarcane to gross cropped area in the district. The sugarcane is leadingly taken in Shirol, Karveer, Hatkanangale, Kagal, Panala, Radhanagri and Gaganbavada tahsils of the study region.

Total oilseeds have an area about 22.83 per cent of the gross cropped area of the study region. It is taken in Hatkanangale, Shirol, Gadhinglaj, Kagal, Karveer and Chandgad tahsils very leadingly.

The area under groundnut was decreased slightly with 0.72 percent. It is mainly taken in Gadhinglaj, Kagal, Hatkanangale, Karveer, Chandgad and Ajara tahsils of the the study region.

The fodders are taken largely in tahsils in Shahuwadi, Chandgad, Ajara, Radhanagasri, Gadhiglaj, Kagal, Bhudargasd and Karveer tahsils of the study area.
Agriculturally the study region is developed in well manner. It would favorable for the development of agro industries the district.

The agriculture is the prime base of the agro-based industries of the district. It is one of the alternatives that over comes the unemployment in the rural areas.

Agro-based industries clearly depend upon the agricultural produce e.g. sugarcane, cotton, oil seeds and fruits and vegetables etc. The development of agro-based industries in the co-operative sector is most important because it supports economic state of the farmers and other peoples of any region.

Sugar industry is one the major agro-based industries after the cotton textile industry in the country. It supports the development economic state of the rural areas of the country.

Kolhapur district is one the leading district in co-operative sugar industries. The tremendous growth was noted in the area under sugarcane. The area under sugarcane was doubled from 1970-71 to 2000-01. The index number of the growth is 242.63.

There is considerable growth in the area under sugarcane was recorded in the Gaganbavada, Panala, Kagal, Bhudargad and Shahuwadi tahsils. A huge quantity of sugarcane e.g. 104.6 million metric tonnes were crushed and 1.27 million metric tonnes of sugar were produced by the factories in the district in 2011.12.

The district has made a marked progress in the field of co-operative sugar factories. There were only 9 sugar factories in 1985-86. There were 21 sugar factories in the year 2011-12, out of them 19 sugar factories come in the co-operative field and 3 in private sector. Though, there were two sugar factories which have stopped its crushing and become known as sick units and one sugar factories has sold out to a private enterprise to Dalmiya Sugars.

The district has great pride of cotton textile industry. Ichalkaranji is the main cotton textile centre very well known in the Maharashtra. As per the approval of Govt. of India, Ministry of Commerce and Industries, Department of Industrial Policy and Promotion, Udyog Bhawan, New Delhi. M/s Ichalkaranji Textile Development
Cluster Ltd., got sanction of Rs. 65.07 crores under the scheme of (IIUS) Industrial Infrastructural Upgradation Scheme 2003. At present there are 19 co-operative and 10 private spinning mills are in the district.

M/s R. M. Mohite Textiles Ltd., Ambapwadi is the renowned private unit in the spinning mill sector. Another, example in the co-operative sector of spinning mills e.g. Mahatma Phule Magaswargiya Sahakari Soot Girni Ltd., Peth Wadgaon Taluka-Hatkanagale.

The edible oil industry is the most important agro-based industry in the district. Due to the inadequate availability of raw material and other dearth factors many of the units have been closed down. At present there are 26 oil mills found in the district. M/s Ganesh oil mill is one of the traditional edible oil making factories, but still it has faces some of the problems e.g. shortage of raw material other unexpected problems told by the time of interview.

There is still potential for the establishment of rice mills in the district, because the western part of the district has preferential geographical condition for the rice production. As in 2011-12 there total 17 rice mills were present in the district. Majority of the private entrepreneur were interested in the rice milling. There is the infrastructural facilities available in the district for the establishment of the of rice mills.

Shree Vishvaprabha Foods Products Pvt. Ltd., Rukadi. Taluka-Hatkanagale is the private Ltd., company and still it works in better position. Though, he has told some problems at the time of the interview. It is faced by the each and every units of the rice making unit in the district. However there is a large potential for the establishment of the agro-based industries in the district

There were 16 sugar factories in the district during 2001 to 2002. It grows up to 21 in during 2011. Hatkanagale, Kagal and Chandgad are the leading tahsils each have three sugar factories. Panhala and Shirol tahsils have two sugar factories each. Except Radhanagari the remaining tahsila e.g. Shahuwadi, Ganganavada, Bhudargad, Ajara, and Gadhinglaj each have one sugar industries.

There were 23 spinning mills are existed in the district. Now the district has 29 spinning particularly in co-operative as well as private sector. Still
there is a beginning of spinning mills in both fields e.g. co-operative and private sector. The spinning mills were mainly concentrated in the Hatkanangale tahsil particularly at Ichalkaranji, followed by Shirol tahsil of the district. Hatkangale tahsil have 14 spinning mills in were found in 2001 there is increase in the number of spinning mills up to 16 as per 2011-12.

There were 21 oil mills was existed in 2001-2002. It has increased up to 26 in 2010-2012. The number of oil mills increases in the Karveer, Hatkangale, Gadhinglaj and Changad tahsils of the district in 2011-2012. There is a considerable change was recorded in the increase of oil mills particularly in the Karveer, Hatkangale, and Gadhinglaj tahsils. Due to inadequate availability of raw material the regions mills have facing dearth problems. The mills have facing acute shortage of groundnut.

There are 10 rice mills was existed in 2001-2002 in district. It increased by 1.7 times during 2001 to 2012. The district has 17 rice mills at present. A considerable increase in the number of rice mills was observed in the Hatkanangale, Karveer, Radhanagari and Ajara tahsils of the district during the this period.

Agro-based industries are labour oriented. It provides employment to the peoples at local level. There were 24,209 workers working in the different types of agro-based industries in 2001-2002. It increased by 1.24 times during 2001-2002 to 2011-2012. It grows with 30,114 during 2011-2012 in the district. Still there is huge potential of employment in the agro-based industries because agro-industries going to established in the district e.g. sugar industries, cotton spinning mills and food processing industries.

Low concentration of sugar industries was recorded in the Gadhinglaj, Karveer, Hatkanangale and Shirol tahsils of the study region. The moderate concentration was noted in the Shahuwadi, Panahala, Bhudargasd and Ajara were as high concentration of sugar industries was recorded in the Chandgad and Gaganbavada tahsils of the district during 2011-2012.

Low concentration of spinning mills recorded in the Ajara, Gadhinglaj and Karveer and Panhala. Moderate concentration was observed in the
Bhudargad and Hatkanangale were as high concentration of spinning mills were observed in the Shirol tahsils of the district during 2011-12.

The low concentration of oil mills was noted in the Chandgad and Hatkanangale where as moderate concentration of oil mills were noted in the Shahuwadi. High concentration of oil mills was observed in the Gadhingalaj and Karveer tahsils of the district in 2011-12.

Low concentration of the rice mills was recorded in the Bhudarga, Kagal, Karveer, Pqanhala and Hatkanangale. Moderate concentration of rice mills was observed in Ajara whereas high concentration of rice mills was observed in the Radhanagari tahsils of the district in 2011-12.

Perfect concentration of agro-based industries was observed in the Gaganbavada, Radhanagari and Chandgad tahsils of the district. Low diversification of agro-based industries was recorded in the Shahuwadi and Kagal tahsils of the study region. Moderate diversification of agro-based industries was observed in the Gadhinglaj, Panhala and Bhudargad. High diversification was recorded in the Ajara, Shirol and Hatkanagale tahsils of the district 2011-2012.

The changes in diversification of the agro-based industries were noted in the Kagal and Shahuwadi tahsils from perfect concentration to low diversification, low to high diversification is noted in the Ajara and Shirol tahsils of the district. Hatkanangale tahsils has remain highly diversification from 2001-02 to 2010-11.

7.2 PROBLEMS OF SUGAR INDUSTRIES

- Problems of sugarcane cutters, lack of sugarcane cutters due to the availability of alternative business at their native place like dairying and plantation agriculture. Therefore they can’t accept the advance from the sugar factory.
- Over burdens of loans, due to this problem the factories came into economic crises. Though factories can’t pay the bills of payments of the labourers, farmers, overdue of loans, other payments are going to pending at that time the management to decide to give the factory on rental charges to the another management.
- Fluctuations in the rate of sugar in the world market, it is going to slowdowns. It happened due to excess production of sugarcane in the state. Hence factories had
faced the problems of the payment of sugarcane and giving the amount of instalments of the payments to the sugarcane growers.

- Sometimes the area under sugarcane is increased due to the best rate given to sugarcane in the previous season. Therefore the farmers thought that the next year also we shall get satisfied rate to the sugarcane. When they plant sugarcane more than the expected capacity at the same time they can’t get expected rate for sugarcane and therefore the problem of excess production would face by the sugar factories and hence many problems would going to face by the factories viz. excess production of sugarcane, over load of sugarcane crushing, delay in crushing season, loss in the weight of sugarcane, sugarcane recovery, loss in tonnages all these things were came as an economic obstacles in the path of sugar factory as well as sugarcane growers.
- If delay in the crushing season automatically delay in the kharif season of the peasant’s.
- Sometimes sugar factories give more rates for sugarcane growers over FRP, and then the factories must pay income tax to the government.
- When the clumsy management is working as administration then time factory will not run properly at that time viz. priorities would be given to the crushing sugarcane of their close relatives and friends, get cane out of the existing area of the factory, delay in crushing of sugarcane in their functioning area.
- Long lasting crushing season of the factories. As compare to the last crushing season the excess area under sugarcane was experienced to this crushing season.
- Protection would not be providing by the factory to the workers working in the factory. Therefore sometimes accidents might happen at working sights hence workers have lost their life.

7.3 REMEDIAL MEASURES OVERCOME TO THE PROBLEMS OF SUGAR INDUSTRY

Sugar industry is the second largest agro-based industry in the country. India was the fourth major sugar producing country in the world. It has now emerged as the largest sugar producing country with the share of 22 percent of sugar production in the world. It ranks third largest industry in terms of its contribution to the net value added by manufacturing and employs number of workers besides it creates extensive indirect employment for farmers of sugarcane. It is one of the important sources of the excise duty for the Central Government. Though, the
industry is going to suffer from the above problem. For overcome these problems some suggestion are given:

A) Making available enough sugarcane

Non-availability of sugarcane may be due to the absence of the infrastructural facilities. Problem of shortage of sugarcane was faced by the majority the sugar factories in the district. It happened due to the 40 to 50 per cent sugarcane was used as fodder for the cattle in the drought affected district in western Maharashtra. Though, the south-western tahsils of the district have very little area under sugarcane as compared to the remaining tahsils of the district. So there is a scope to lay the more area under sugarcane efficiently. The average crushing season of the sugar factories in the district shows the declining trend and it rests on 133 days in 2011-12. It would be necessary as per the norms minimum 180 days sugar factories must be run. But in the past five years only average 140 day factories had run. So there is need to supply of adequate sugarcane to the factories for efficient crushing. Therefore it is necessary to take some measures to overcome the shortage of material. In this connection some steps should be taken. This would be possible when the following measures shall be implemented in the study region.

1) Improving infrastructural facilities like irrigation, roads, harvest labour, transport vehicle supply of inputs like seed material, fertilisers and farm credit etc.

2) Determining optimum period and duration of crushing.

3) Quantum of cane to be crushed annually.

4) Varietal composition for the overall crushing hr each month.

5) Nursery program.

6) Varietal trial in the factory farm.

7) Improved cultural practices to be adopted for sugarcane.

8) Rationalized harvesting schedule base on maturity.

9) Surveillance of pests and diseases and taking appropriate control measures in time.

10) Demonstration plots to carry communication to the growers.
11) Necessary field training to the cane staff.

12) A proper incentive scheme for the ryots to take up the improved agricultural methods.

13) Providing adequate staff for carrying out the above programme.

In short a package program must be drawn in respect of the sick factory for implementing the cane development programme in a phased manner. It may not be enough at a higher cane price alone is announced. The needs of the growers have to be properly assessed by the cane development staff and it has to meet at the proper time. Many factories have become sick not merely because cane is not available in the factory area but because these has been lot of diversion of sugarcane for Jaggery making. A balance between the prices offered by the two categories of producers is essential to ensure equitable distribution of all available cane suppliers because the fortunes of the sugar industry are tide to the fluctuations in the market price of sugar and Jaggery. It becomes the responsibility of the factories to the growers by way of higher price, higher incentive and prompt service to make them factory minded and supply sugarcane even if there is any marginal difference in the price obtained by Jaggery making.

B) Modernization of technology and machinery

Sugar industry has made wide strides in the matter of improvement in the technology and innovation. A technical team should study the existing performance of the factory at various stations. A highly trained technical team should carefully study the performance of the factory and identify the areas of weakness and suggest a most economical and effective scheme of modernization to improve the working efficiency, so that there is not only optimum crushing but also optimum result. Therefore, it is imperative to make a scientific study of the existing functioning and suggest improvement for installing additional equipment of the factory to a comparable status.

C) Reduction in overhead and labour cost and improving managerial capability

The management has got a dual responsibility. Sometimes the defective management might itself be the cause for the sickness. In those causes, the existing managerial practices must be studied properly. Disputes between partners or
shareholder groups can be a very disruptive force. Expansion of manufacturing company with high capital investment and recruitment of senior technical and administrative personal without reference to the availability of raw material etc. has lead to sickness in several cases.

As far as the managerial aspects are concerned, a proper and scientific study of the organizational structure has to be under taken so that expert could suggest ways and means to revitalize the company to meet the challenges of the future. The important aspects would consider in the matter of personnel administration.

1) There should be a comprehensive staffing pattern and management policy by making an independent and scientific assessment of personal requirement for individual departments and the company as a whole.

2) The existing executive personal in the technical, financial, purchasing marketing and administrative departments should be given appropriate educational trainings as well as senior supervisory staff should be given the re-orientation training for efficient performance of their appointed task. Personal found inefficient and unsuitable for technique responsibility should be weeded out.

3) Co-operation and co-ordination between departments to work jointly to fulfil company objective. It should be ensured by establishing sound lines of communication system.

D) Government policies

The responsible causes are extraordinary such as due to government policies etc., the remedies lie mainly with the government. The administration of the pricing policy for both raw material and the finished product has to be streamlined with a view to flatten the ups and downs in the production. The long term policy of the government should aim at maintaining relative equilibrium among the three sweetening agent vise, sugar, Jaggery and Kandsari. The policy should also be formed in such a way that the sugarcane growers are offered reasonable prices to enable them to make available sugarcane to the factories at reasonable economical prices. The location of industry should be properly planed with a view to gate adequate sugarcane. It should not be based nearly on political consideration as some factories required to have fallen sick due to faulty location. The industry requires operating under on entirely different free sugar price which may be less in the interest of the
consumer disregarding the working cost of the industry. When the industry is called upon to subsidize the levy sugar to the extent of 65 percent, adequate safeguards must be taken to regulate the releases in such a way that the factories receive reasonable free market price to compensate the loss incurred in subsidizing the levy sugar. So long as this release mechanism is not operated pragmatically taking into account the overall realization of the overall cost, the industry is bound to become sick one day or other. One view is that subsidized distribution of levy sugar would hamper further investment in sugar industry, often all-India sugar policy is characterized by ad hocism. Hence this is the most vital aspect which has to be taken care of a present sickness in sugar industry.

E) Need to generate by-product

For minimization of the expenditure and uneconomic state of the factories, it would be necessary to take another by-products e.g. molasses. It is therefore suggested that each sugar factory should be permitted to install either distillery or acetone plant to get additional revenue and generate more employments in the rural areas. There is not any factory which generates ethanol and paper product. Some of the factories have generated power on their site.

F) Creation of task force

A task force must be created to implement the rehabilitation programme of sick units with fullest commitment. The constitution of a taskforce will be consisting of multidisciplinary group of experts within the organization to implement the programmes, to iron out the difficulties and to monitor the progress. The task force is purpose to be oriented and it is an effective forum to continuously implement the policies of rehabilitation. The taskforce can serve as an effective instrument of revival of the sick unit.

7.4 PROBLEMS OF SPINNING MILLS

Cotton spinning mills are obsessed with many problems. Some of the cotton spinning mills became sick and were closed down. Three spinning mills were temporarily closed down and became known as sick unit because they have faced some acute problems. The spinning mills in the district are facing both the short term as well as long term problems. Former includes problem of high prices, shortage of
raw material, liquidity problems due to poor state of the spinning mills. The long term
of this industry includes the slow pace of modernization, outdated technology
resulting in the low productivity and high cost of production. The common problems
are faced by the mills are as fallows.

- There is a shortage of capital. There is nothing any provision of financial assistance
  from the government.
- There is the shortage in the raw material particularly long stapled cotton. There is
  nothing availability of the raw material at local level. Because this farmers would not
  produce cotton in the district.
- Transportation cost of the raw material is high.
- There is the copulation of different taxes to be paid to the government. The rates of
  these taxes are high e.g. VAT, Sale tax and LBT. etc.
- The rates of electricity are unaffordable and there is nothing any source of energy and
  provision of power except electricity. The load shading problem arose in the pick
  hours and affects industry badly. This leads to loss of man hours and low production
  and loss of the mills. As compared to other states the rates of electricity were very
  high.
- Low productivity is another problem. The labour oriented problems become severe,
  some times strikes, lay offs are the common features found in this sector. There is a
  problem of instability of labour and their availability at low cost. There was ever
  increasing demand of high wages and therefore they hinder from this enterprise.
- Today the high inflation in the industrial sector in the world.
- The enterprise has been running with obsolete old machinery. The obsolete machinery
  leads to low output and poor quality of goods. Its impact was seen on the production
  capacity and performance of the unit. In this situation these units are not able to face
  the competition in the market.

7.5 REMEDIAL MEASURES TO OVERCOME THE PROBLEMS OF COTTON SPINNING MILL

To solve the problems of spinning mills the following measures should be suggested
for the better and smooth functioning:
I. The government of Maharashtra should give sufficient loans to the entrepreneurs through the various banks with reasonable rate of interest. The working capital should play a vital role in the spinning mills.

II. Cotton spinning mills should be provided sufficient and in time raw material throughout the year as the mills were functioning smoothly. Prices of raw material should be fixed by the Government.

III. There is a need to make raw material available at local level. It is also needed to motivate the farmers by the department of agricultural of Maharashtra. Otherwise it may provide through the arrangement of raw material depot at appropriate place where it would be easily access.

IV. The electricity board should provide regular supply of electricity throughout the year with appropriate rates for the smooth functioning of the mills.

V. There is need to replace the old age machinery to efficient working with full capacity. Otherwise the enterprises thought that why the enterprise should not be shifted to other neighbouring state.

VI. Workers should be given chances of training by the enterprises. There is a need to organise training programmes by the departments of the industries through the district industrial centre at district level.

VII. To make the efficient and strict as well as prompt management. There is need of co-ordination among various governmental agencies, department and financial organization etc. It is essential to avoid the delay of sanction of the enterprises. There is needed to make improvements in liberal policies to obtain easy approvals.

VIII. The financial agencies may convert the overdue of such sick units into medium or long term loans and fix a schedule as medium to long term loans.

7.6 PROBLEMS OF EDIBLE OIL MILLS

Oil Mill entrepreneurs told the falling problems at the time of field survey.

- Shortage of raw material in rainy season.
- Only 25 % oil extraction being done as compare to the initial capacity of extraction of the oil mills.
- All the mills have been facing the fluctuations in the prices of raw material.
- The rates of raw materials (groundnut) was raised up when the shortage of raw material.
• The raw material produced at local level, generally sold at local markets for domestic purpose and exported too. The oil mills doesn’t get quality raw material.
• Seeking food licence is strictly compulsory to every enterprise.
• Every oil mill is facing the problem the burden of local body tax (L.B.T.)
• Shortage of labour because of the low wages each and every labour demands high wages in the time of crushing season.
• People become health conscious so they thought the physical well being of the family.
• Completion in the market from other types and quality brands of the oil and they sold their commodity at any cost or sell very cheaply.
• Unstable prices of raw material and the finished product in the market. The commission of brokers and agents are very high.

7.7 REMEDIAL MEASURES TO OVERCOME THE PROBLEMS OF OIL MILLS

1) The government of Maharashtra should provide adequate financial assistance and may provide loan facilities through banks with appropriate rate of interest to the entrepreneurs. So, that the problem of working capital will be solved easily.
2) Electricity board should supply regular electricity to the oil mills so that the unit can be run throughout the year with full capacity.
3) The government should start supply depot of raw material at tahsil level or in the area of oil mills. So, that the oil mills will get at ease raw material to process with full capacity especially in the off seasons (rainy seasons). The prices of raw material should be fixed and controlled by the government.
4) For the full capacity utilization eight hours shift should be enforced. so the problem of capacity utilization shall be solved. There is a need to change the traditional oil extraction technique and modernization machinery is required and by annual overhauling is necessary.
5) There is a need of hour to increase the rates of wages of the labours so that they do their works enthusiastically on their work sites. There is the necessity to organise the industrial training to the workers by the district industrial centres. At the time of training the stipend should be given to the workers.
6) There is need to examine the market system thoroughly. There is a need to fix the rates of the finished products quality wise. Examine the trend of the consumer’s
thoroughly because the consumers become health conscious. There are different alternatives available at market level.

7.8 PROBLEMS OF RICE MILLS

- There is shortage of raw material due to the drought in the region. The low rainfall causes the less production of raw material. Hence there is less production of paddy. Hence raw material is brought from other states. Purchasing prices of raw material goes high when shortage of it.
- Shortage of labours at local level therefore the labour is brought from other states e.g. West Bengal, Zarkhand and Karnataka.
- The skilled labours were not available at local level.
- At the time of processing many times the shortage of power supply is the main acute problem facing by the enterprises.
- There is the requirement or licence from Local Administration Body, Department of food and drugs and Department of pollution control Board.
- Compulsion of advertise or news in local daily news papers.
- The enterprise has faced competition in the market with other quality brands. When the demand from market decreases the production of commodity is stopped.
- The enterprises have faces acute problem of recession and trade.
- There is a difference between purchasing price and a market price of the commodity, therefore the rice mills are not run properly and stops its production.
- Competition in the selling price in the market when the production of commodity goes up.
- The process of sacking licence and permission to the enterprise is the tedious and time consuming.

7.9 REMEDIAL MEASURE OVERCOME TO THE PROBLEMS OF RICE MILLS

There were many problems faced by rice mil in the study region. To solve this problem some suggestion are as follow

1) It is necessary to start the raw material depot of paddy at local level or at tahsil level by the Government of Maharashtra. There is need to motivate the peasants to take the varieties in paddy production on their farms. For this government should provide
some assistance to them with new varieties of paddy seeds high yield production. It is necessary to give them the appropriate prices to produce the paddy in the market and fix the prices on the basis of varieties produced.

2) Workers should be given chances of training by the entrepreneurs. The local level workers must be given the efficient wages then they are attracted towards the enterprises. It is important to organise the necessary training programmes under the administration of district industrial centre at local level with stipend. Minimum basic training is necessary.

3) M.E.S.B. should supply regular power to the industrial units throughout the year with minimum rates.

4) Government should give sufficient loans to the entrepreneurs through the various banks of financial institutes for the smooth function of the units. The rate of interest of loan should minimize or give them the seed money to at the time of installation of the unit.

5) The installed machinery should be cleaned and repaired every three months so that the full capacity can be utilized.

6) Management should be strict and prompt in its administration.

7) There is need of market survey. There is the need to give the prices at market on the basis of quality product and demand from consumers.

7.10 SUGGESTIONS

Kolhapur district is agriculturally developed district in the Western Maharashtra. There is a sound base and infrastructural facilities were available for the development of agro-based industries. Still there is a huge potential for the new beginning of the agro-based industries e.g. sugar industries. Spinning mills, food processing industries etc. it is an empirical observation of the study area at the time of field visits in the study area. There is considerable change in the area under different crops in the district particularly cash crops e.g. sugarcane, oil seeds and fruits and vegetable. These are the basic raw material oriented industrial crops taken in the district. Here some suggestions have been made for the new beginning of agro-based industries in the district.
7.11 POTENTIAL FOR THE DEVELOPED OF SUGAR INDUSTRIES

There were 21 sugar industries in the district. Though, there is a strong infrastructural base for the new beggning of the sugar industries. It observed from the table 4.4 that, that the considerable growth of area under sugarcane was recorded in the district. Particularly in the Gaganbavada, Panhala, Kagal, Sahhuwadi and Bhudargad tahsils of the district. District as a whole there is a notable growth recorded too. From 1997-2002 the area under sugarcane of the district was grown from 11.04 to 17.80 per cent to the gross cropped area of the district. A considerable change was observed in the area under sugarcane of the district. There is period of growing of private sugar factories. The private entrepreneurs were interested in the beginning of the sugar factories in the study region. There were well developed location aspects like availability of water, ample production of raw material, transportation facilities, electricity etc. available in the district.

7.12 POTENTIALS FOR THE EDIBLE OIL AGRO-BASED INDUSTRIES

There were 26 oil mills in the study region as per year 2011-12. The Karveer, Hatkanangale, and Gadlingalaj tahsils have a considerable number of oil mills. The area under groundnut is swept out in the Chandgad, Sahhuwadi, Gaganbavada, Ajara, and Karveer tahsils in the district. There is an appropriate site for the location of the edible oil mills. Particularly groundnut was taken in the western part of the district. Therefore the location of oil mills would be suggested at Gadlingalaj and Ajra where there is all ready MIDC has developed required infrastructural facilities.

The areas under total oilseeds were swept out in the Shirol, Hatkanangale, Sahhuwadi, Chandgad, Gadhisulaj, Kagal, tahsils of the district. It has recorded a considerable growth of area under total oil seeds. The farmers of that area have taken a large quantity of soyabean crops on their farms and it would be helpful for growth of nutrients in the farms. Apart from that the people have changed their attitude from the use of groundnut oil to soyabean oil. Therefore it would be necessary to start new soyabean oil mills in the District. Basically Kagal, Shirol and Hatkanangale tahsils have a strong industrial base to support these new coming agro-based industries. These places have well accessibility to the remaining parts of the district as well as other parts of the state through state highways and other routes. The market facilities are available at Kolhapur, Jaisingpur and Vadgaon. The entrepreneur mind was setup.
in this area so there need to only assist to them with seed money and required capital through the banks.

7.13 POTENTIALS FOR THE DEVELOPMENT OF FOOD PROCESSING INDUSTRIES

The western part of the district has hilly terrain and geo-ecologically favourable for the growth of fruits and vegetable. Particularly Cashew nut, mango and other fruits were grown here. The considerable change was noted in the area under fruits and vegetables. Particularly it was noted in the Gaganbavada, Ajara, Radhanagari and Bhadargad tahsils. Geographically these tahsils have favourable conditions especially for the cashew nut, awala and mango etc. Basically these tahsils have cashewnut processing industries. Therefore these tahsils have a huge potential for the development of Cashew nut; Mango pulp pickles, candy, canning; extracting of awala juice, candy, pickles’ and industry. So there is a strong base for the development of these industries in the area western part of the district.