PREFACE

In Indian agriculture cane crop is important crop for the farmers. Sugar industry is the second largest industry in India, and agro based industry in the country, next only to textiles. Co-operative sugar factories are large, modern industrial units. India is the second largest sugar producer in the world after Brazil and contributes 40-44%. production share of Asia. Sugar factories have been established in three zones Viz. 1) South Maharashtra, 2) Central Maharashtra and 3) North East Maharashtra. South Maharashtra especially that of Kolhapur district is very conducive and suitable for sugar cane cultivation. The District has 18 co-operative and 2 private sugar factories with total 71,200 TCD in 2009-2010.

The sugar factories in Kolhapur district have played a very vital role in the Socio-Economic development of farmers from the area of operation. But due to unstability in the sugar prices sugar factories comes in financial difficulties and further in ability to pay proper cane price to the cane cultivators according to their cost of production. The study will help to co-operative sugar factories for maintenance of financial discipline and improvement of productivity and relation between cost of conversion and technical efficiency. The study is useful for regulating authorities of co-operative sugar factory leaders and policy makers.

Now a days the sugar scenario is on the threshold of a change - both globally and nationally. This is worrying factor for the sugar factories because global sugar production during 2009-10 and 2010-11 was forecast to be surplus. This has also affected the sugar prices.

The present study is an attempt to examine critically the all elements of cost centers, and parameters of technical efficiency of sample sugar factories.

The researcher has suggested the alternative strategies of cost reduction and drawbacks of technical efficiencies.

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