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SUGAR FACTORIES IN INDIA

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ABSTRACT:

With 530 licensed factories, the sugar industry is India's second-largest agro-based industry. Of those, 56% are in the cooperative sector, which produces 62% of all sugar.The economic well-being of the rural population is closely linked to this industry's location in rural areas.In the past, there was a positive partial correlation between the expansion of this industry and India's socioeconomic expansion; however, this correlation is now negative.The Indian cooperative sugar industry is going to lose its value in rural entrepreneurial endeavors due to politics and a lack of professional management.The quality circle is required for this industry benchmarking's substance.

KEYWORDS: *Co-operative sugar factories, Agro-based, welfare of rural population, Modern management techniques.*

INTRODUCTION :

Sugar industry is one of the biggest agro based handling ventures in India.Because it adds value, sugar has become a very effective tool for economic and social development in rural areas of the country.The industry's location in rural areas is closely linked to the rural population's economic well-being.Since sugar is a consumable, everyone wants to be able to buy it in sufficient quantities at a price they can afford.The average person's budget is harmed by any rise in the cost of sugar.In addition, it is the only low-cost food item that provides more energy per calorie.As a result, the government has included sugar on its list of essential goods and imposed a number of restrictions and controls, such as zoning, taxation, price levy, partial decontrol, release mechanism, and so on.about sugar.The price and sales of sugar will be affected by any change in the cost of producing sugar.

Cane growers demand a higher (better) price for the cane they supply to mills in this scenario, while consumers anticipate sugar prices to remain as low as possible so that they can afford to pay for it.The only way to achieve both objectives is to control and reduce costs while simultaneously increasing productivity in the sugar industry.due to internationalization;The sugar industry must contend with domestic and international competition not only to make a profit but also to ensure its continued existence. The program for cost reduction, cost management, and efficiency enhancement must be implemented by each unit.Efficiency in the sugar industry is measured by the amount of sugar extracted from sugar cane's available sugar.The control of manufacturing losses and the optimization of extraction efficiencies are two ways to cut costs.An increase in recovery is accompanied by a decrease in losses.In the sugar industry, the most important factor is the plant's overall efficiency. The Indian sugar industry has high production costs due to the high costs of its factories and fields.Field costs, or the cost of producing cane, are high because Indian farmers only have a small amount of land; More than 85 percent of cane farmers have less than one hector in their holding, resulting in low productivity and yield per hector.The large number of suppliers of cane makes it impossible to effectively implement the harvesting program.The solution in the not-too-distant future will be consolidation of land holdings and corporate farming.The low average mill capacity contributes to the higher cost of the Indian sugar factory.

India produced 250 million metric tons of sugar between 2006 and 2007 and consumed 185 to 190 million metric tons of sugar annually.This year, there is approximately 100 lakhs metric tons of surplus stock.There are Rs for the farmers.1200 to 1400 rupees per tone of sugar cane delivered to the factory, while simultaneously lowering the sugar price to Rs.1,200 quintals;Additionally, the co-operative sugar factories in India are experiencing greater difficulties as a result of the sugar's lower price.Sugar cane producers, employees, sugar cane harvesters, sugar cane transporters, contractors, farm employees, and other support service providers have been negatively impacted by the sugar price drop.

RESEARCH METHODOLOGY:

The cooperative sugar factories in India serve as the basis for the research paper.The following specific goals have been set for the study:

1.to investigate the issues faced by India's cooperative sugar factories.

2.to suggest solutions for boosting the cooperative sugar factories' performance.

In the context of the globalized world, the cooperative sugar factories in India are the subject of this paper.Interviews with the management of sample sugar factories are used to gather primary data.Additional sources of primary data include observation.Additional information about the sugar factory, such as the working area, recovery, and total crushing.is derived from factory documents, newspapers, publications, and other sources.

THEORY OF CO-OPERATIVE SUGAR FACTORIES IN INDIA:

The sugar industry contributes significantly to the Indian economy.Sugar is mentioned in Indian literature as far back as 200 B.C. Other countries like China, Cuba, Ceylon, Brazil, Java, Mexico, Peru, and others used to make and sell sugar to the rest of the world.In 1610 first sugar production lines were laid out at Musulipattam and Petapli in India.Surat got a second sugar factory in 1612 as well.India had six sugar mills operating by the year 1815.A number of sugar mills were established in Bihar and Uttar Pradesh at Azizpur, Mothihari, Seerdha, Barrachaikia, Birdpur, Belsund, Jamo, Gorakhpur, Bagga, and Gowahati due to a substantial import duty on sugar.Dooban, Bengal, is home to the largest sugar mill in the country, producing 7000 tons of sugar annually.In 1865, two sugar factories were built in the state of Madras.Between 1863 and 1864, large quantities of unrefined sugar were exported from India.Beet sugar also dominated the European market at the same time.India began importing sugar after the situation turned around.By 1905, the Indian government had only established six sugar factories as a result of this negative policy.A report on the growth of India's sugar factory was presented to the government in 1929 by the Imperial Council of Agriculture Research.For the sake of safeguarding India's sugar industry, a number of recommendations were made by the sugar committee in 1929 and the Indian Tariff Board in 1930.The Sugar Industry Protection Act was enacted in 1932 after the committee's recommendations were taken into consideration.

The number of sugar factories increased by two units following independence and during the pre-planning period (from 1947-1948 to 1950-1951).Bombay, Madras, Uttar Pradesh, Bihar, and other locales emerged as the most promising for the growth of the sugar industry.The Indian Government took a number of positive actions during the planning phase.They inspired individuals to establish cooperative sugar mills.18.90 lakh tons of sugar were produced by 143 factories during the first five-year plan.Which included 0.05 lakh tons produced by two cooperatively organized factories.In total, 174 factories produced 30.21 lakh tons in the second plan.4.5 lakh tons were produced by 16 factories in the cooperative sector.There were a total of 200 factories that produced 35.73 million tons under the third plan, 53 of which were in the cooperative sector and produced 9.41 million tons.In the fourth arrangement all out 229 plants created 39.48 lakh tones of sugar out of which 94 production lines in co-usable area delivered 15.54 lakh tones.In the fifth plan, 300 factories produced 39.48 million tons of sugar, with 138 factories in the cooperative sector producing 15.54 million tons.In total, 338 factories produced 61.44 million tons of sugar under the sixth plan, with 178 factories in the cooperative sector producing 36.37 million tons.The seventh plan saw the production of 109.90 million tons of sugar by 396 factories, with 219 factories in the cooperative sector producing 65.86 million tons.In the eighth plan, 480 sugar factories produced a total of 120 million tons of sugar, with 245 factories producing 89 million tons of sugar in the cooperative sector.There are a total of 530 sugar factories operating under the ninth plan, with a target production of 182 to 185 million tons of sugar, with 295 factories operating in the cooperative sector with a target production of 94 to 95 million tons of sugar.In the years 2006–2007, India had 530 licensed factories, 56 percent of which were in the cooperative sector, which produced 62 percent of all sugar.

In India, sugar cane was paid for according to its weight rather than its sucrose content.The Government of India appointed the Mahajan Committee, also known as the High Power Committee on the Sugar Industry. The Mahajan Committee made the recommendation that cane growers should be compensated based on the quality of the cane that is delivered to the sugar factory.Cane growers will increase the amount of sucrose in their sugar cane if they are compensated for the quantity of sucrose they produce.When compared to global standards, the Indian sugar industry is characterized by a small plant size (average 2500 TPD).When compared to sugar factories in other nations, Indian factories are operating below capacity.In the greater part of these nations, the little estimated units were amalgamated into bigger units.In India, vertical expansion of sugar factories receives greater attention.

The World Bank's most recent study of the Indian sugar industry has shown how much milling and plant size cost.It has been discovered that the wage and other overhead costs per tone of sugar decreased significantly as plant size increased. Due to the small size of sugar factories and the necessity of obtaining sugarcane from farther away, sugar production has become more expensive. Improvement and benchmarking of the Indian sugar industry as a whole, sugar recovery, process sugar losses, mill extraction, energy use, use of byproducts, sugar cane yield, production cost, field cost, factory cost, and other factorsought to be enhanced.In August 1998, the Indian government made the decision to revoke the sugar industry's license.A sugar factory can be established without a license in the aforementioned nations, and a sugar factory's capacity can typically be increased without a license.A brand-new sugar factory's minimum or maximum capacity is unrestricted in any nation.The notification issued by the Indian government requires the sugar industry to produce limited grades and quality of sugar, whereas many countries that produce sugar produce a variety of sugars.There is a lot of room for improvement in the sugar's quality, overall productivity, cost of production, and ability to enter the international market.India's rapidly expanding food processing industry may also result in significant domestic demand for premium sugar.

PRRACTICE IN CO-OPERATIVE SUGAR FACTORIES IN INDIA:

The specialist has dissected the issues of the co-usable sugar industrial facility as follows.

1.Lack of proper planning: There is no systematic planning in cooperative sugar factories. Working capital is always short of supply. There is absence of ranch and gathering arranging of sugar stick.There is no effective strategy for marketing sugar.

2.The cooperative sugar factories are unable to effectively manage sugar production due to a lack of effective production management.The cooperative sugar factories only operate 90 to 100 days per year these days. Similar to cooperative sugar factories, Large (L), Medium (M), and Small (S) grades of sugar have been produced. They do not produce refined sugar, inverted sugar, or other products of export quality.(with the exception of a few cases).

3.Political interference: The primary issue facing cooperative sugar factories is political interference. It is casually mentioned by a few cooperative experts that the cooperative sugars are the Government Department's extension counters. If this is the case, in addition to the exazagaration, professional management of any cooperative sugar factory is extremely challenging. The government must give permission to the cooperative sugar factories before they can buy materials and machinery, sell sugar, get loans, etc.

4.Absence of expert administration - Co-usable sugar production lines are the provincial based process enterprises.In these cooperative sugar factories, local resources and labor have been utilized. All functional areas of the factory lack a professional approach as a result of this practice, it was discovered. Professional management and strategic management are not utilized effectively in cooperative factories. Currently, the majority of cooperative factories employ traditional methods.

5.It was discovered that these cooperative sugar factories have an excessive amount of recruitment as a result of local-based recruitment. This results in a lack of proper utilization of manpower. According to government guidelines, this excessive recruitment is about 30%.Due to a variety of factors, including political background, own farm cultivation, and so on, the existing workforce is not utilizing their full talents and labor.Standard methods for evaluating an employee's performance do not exist.There is not enough use of the available manpower for these reasons.

CONCLUSION :

With 530 licensed factories, the sugar industry is India's second-largest agro-based industry. Of those, 56% are in the cooperative sector, which produces 62% of all sugar. The industry's location in rural areas is closely linked to the rural population's economic well-being. The Indian sugar industry has high production costs due to the high costs of its factories and fields. Cane growers demand a higher (better) price for the cane they supply to mills. Consumers anticipate sugar prices to remain as low as possible so that they can afford to pay for it.

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