



SUGAR CANE PURCHASE PATTERN FROM CANE GROWERS IN KARNATAKA STATE: A CASE STUDY OF BSSK LTD, HALLIKHED (B).

Dr. Anil Kumar S.Hagargi

MBA, M.Phil, NET, Ph.D

Faculty Member, Dept. of Management studies and Research in Management
Gulbarga University, Gulbarga-585104, Karnataka

Abstract

Sugarcane is one of the most significant commercial crops and Karnataka state and Belgaum district being playing the most vital role in the sugarcane production. It is witnessed there are 58 Working sugarcane factories operating in cooperative societies public and private sectors thus creates a demand for the sugarcane to a greater extent. *The papers make an attempt to bring the insights of purchase pattern adopted by the sample unit.* The industry been a key driver of rural economy and accounts for rural development and has impacted significantly on the national economy as India is largest consumer of sugarcane. *Further the paper brings out the problems faced by the cane growers and the support of sample organization and their help for farmers.* The sector has been a inclusive support for over 50 million sugar cane growers and their families. At present the sector is on the cross roads where it can leverage opportunities created by global shifts in trading of sugar and emergence of cane sugar as a source of renewable energy. *The paper draws attention of the state governments role of fixing price in the wake of farmers suicides due to losses and fixing of prices at low cost and puts an eye of Belgaum assembly session where farmers and cane sugar growers posted an agitation and outcomes of the government decision.* Sugar industry is one of the agricultural based industries in Karnataka. Karnataka is third biggest state in sugar growing. Sugar cane is growing in 5.20 lakh hectares of land and nearly 409 lakh tonnes of sugar cane growing in the state yearly. 85% of the sugar cane is used in producing sugar and 15% to the cane seed and jaggery.

Keywords: purchase price set by the BSSK, Governments role in pricing of cane, problems of cane growers etc.

Introduction

Sugarcane is primarily grown in nine states of India: Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Uttar Pradesh and Tamil Nadu. More than 50 million farmers and their families are dependent on sugarcane for their livelihood. The sugar industry caters to an estimated 12 percent of rural population in these nine states through direct and indirect employment. Effectively, each farmer 19 contributes to the production of 2.9 MT of sugar every year.

The Purchase system in Bidar Sahakara Karkhane Limited is manual as they are purchasing the sugar cane from the share holder farmers and whenever they need extra sugar cane they from the non- share farmers are from the other state. Material management is the most important activity of Bidar Sahakara Sakkare Karkhane Limited.

- Suppliers Assessment, Enlishment and Dilishment Criteria based on the guidelines issued by Bidar Sahakare Karkhane Limited Bidar.
- Suppliers performance rating criteria based on the guidelines issued by bidar Sahakara Sakkare Karkhane Limited.
- Some of the activities of the purchasing system Keep in View the currently from the other state. When there is shortage of raw material and indents and printing the purchase order from the main frame system.

During 2010-11, 59 sugar factories were functioning and details are as below (sector wise)

Sl.No.	Sector	Working sugar factories	Non working sugar factories	Total
1	Public	2	1	2
2	Joint	0	1	1
3	Co-operative	22	2	24
4	Private	35	4	39
	Total	59	7	

Total quantity of sugarcane produced and crushed for the last 3 years is as below:

Sl.No.	Year	Cane crushed	Sugar produced	% of recovery
1	2008-09	161.31	16.64	10.32
2	2009-10	239.77	25.56	10.66
3	2010-11(30.09.2011)	337.64	36.96	10.94

In 2009-10, 54 sugar factories produced 25.56 lakh tones of sugar in the State. In 2010-11, 59 sugar factories produced 36.96 lakh tones of sugar as on 30.09.2011. These factories provide jobs to thousands of rural people directly and indirectly.

Sugar Cane Price in Karnataka 2013

The State government has notified sugarcane price for the current crushing season (2013–14). The price has been fixed at Rs. 2,500 a ton across the State. Commissioner for Cane Development and Director of Sugar S.S. Pattanshetty issued a notification under Section 4(f) of the Karnataka Sugarcane (Purchase and Supply Control) Act, 2013, announcing Rs. 2,500 per ton as ex-gate price for sugarcane in southern districts and Rs. 2,500 per tonne as ex-field price in northern districts.

SAP

The then Minister for Sugar Prakash B. Hukkeri, who announced this at a press conference here on Sunday, parried questions on why the government was shying away from announcing **State Advisory Price (SAP)** for sugarcane as being demanded by growers. To the reported claims by owners of sugar mills that the price announced by the government was not binding on them, he said: “Let them tell us that the price announced as per the Act is not binding on them, the government will look into it accordingly. The government has announced the price as per the law and nobody should violate it.” Sugar mill owners could present their problems before the government. They could speak to the Chief Minister, he added.

He said sugarcane growers in northern districts would be saving nearly Rs. 400 to Rs. 500 a ton, as the price announced by the government was ex-field, i.e. harvesting and transportation costs will be paid by mills. This was as good as getting up to Rs. 2,900 per ton, he said. Mill owners would save at least Rs. 135 for a ton by way of government concessions. Of the 58 sugar mills operational in the State, 44 had commenced crushing. Eight more would start crushing by the month-end, he said. The 44 mills had so far crushed 26 lakh tonnes of sugarcane. About 250 lakh ton sugarcane was available this year against over 300 lakh tonnes last year, he added.

Objectives Of The Study

The present study is based on the empirical evidences collected from the sample selected.

- To review the sugar Cane purchase pattern policy in Co- Operative sugar factory with Special reference to B.S.S.K
- To Study the measures under taken to improve purchase pattern of sugar Cane up to the requirement.
- To Study the problems faced by the sugar Cane growers.
- To review the role of factory, transporters, labors and sugar cane growers.
- To carry in – depth study on pricing policy of cane sugar.
- To evaluate whether cane was purchased on MSP.
- To offer necessary suggestions in the wake of findings.

Methodology

The paper is based on the data collected from the sample respondents who are potential cane growers and sells to the sample organization, the data has been collected by administering a well designed questionnaire to the farmers by adopting a field work and personal interaction has also been conducted with an aim of eliciting opinions of the respondents. For the same prevalent secondary has been used which is drawn from the government and units reports which served as a aid in accomplishment of the work.

Sample size: 76 farmers have been selected randomly for the survey for collection of opinion.

Method and techniques for data analysis

A well defined approach has been adapted for analyzing the collected data by identifying various determinants considered by the sample organization for the purchase of sugar cane based on quality etc as there are various types of cane sugar. Most wodely used tools are simple averages and percentages for the purpose of drawing meaningful results.

Results

Table-1: Age of respondents

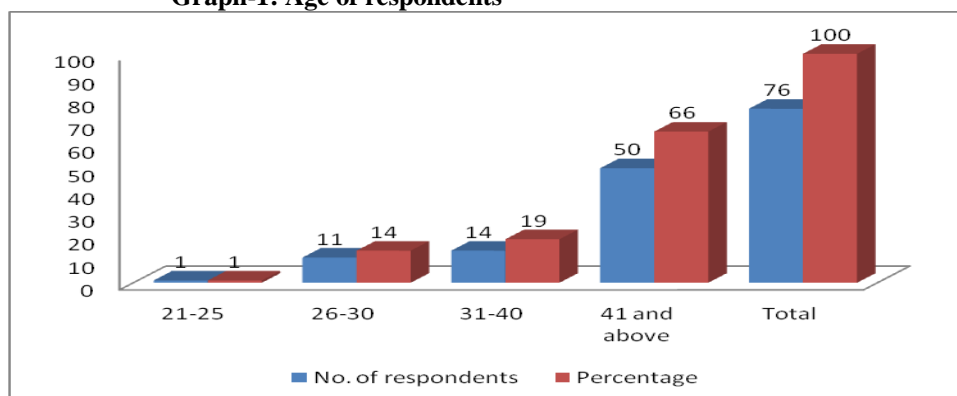
Age	No. of respondents	Percentage
21-25	01	01
26-30	11	14
31-40	14	19
41 and above	50	66
Total	76	100

Source: Field Survey

Interpretation:

From the above table, it has been found that. Out of the sample selected 50(66 %) of respondents fall under the age group of 41 and above. Further it has been witnessed that 14(19 %) respondents fell under the age group of 31-40. 11(14 %) respondents' fall under the age group of 26-30 years. 01(01%) respondents fall under the age group of 21-25 years.

Graph-1: Age of respondents



Source: Table-1

Table-2: Education Qualification of respondents

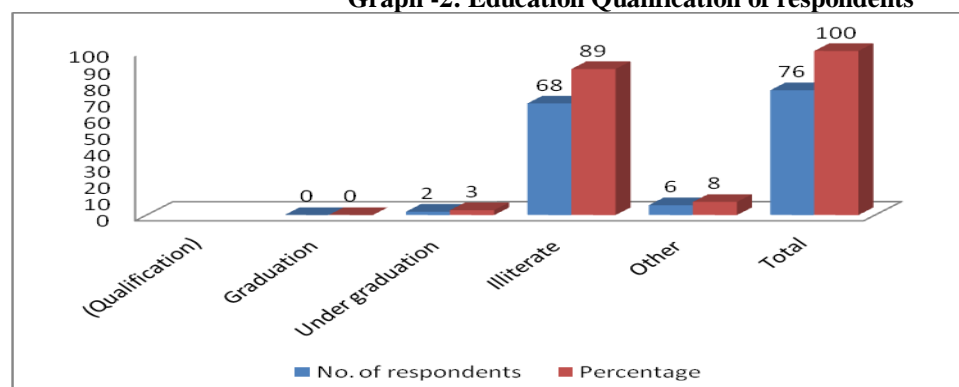
Education (Qualification)	No. of respondents	Percentage
Graduation	00	00
Under graduation	02	03
Illiterate	68	89
Other	06	08
Total	76	100

Source: Field Survey

Interpretation:

From the above table, it has been found that 68(89%) respondents are Illiterate/uneducated. Further 06(08%) respondents opted as other as their education qualification. 02(3%) respondents were under graduate.

Graph -2: Education Qualification of respondents



Source: Table-2

Table-3: Annual income of respondent

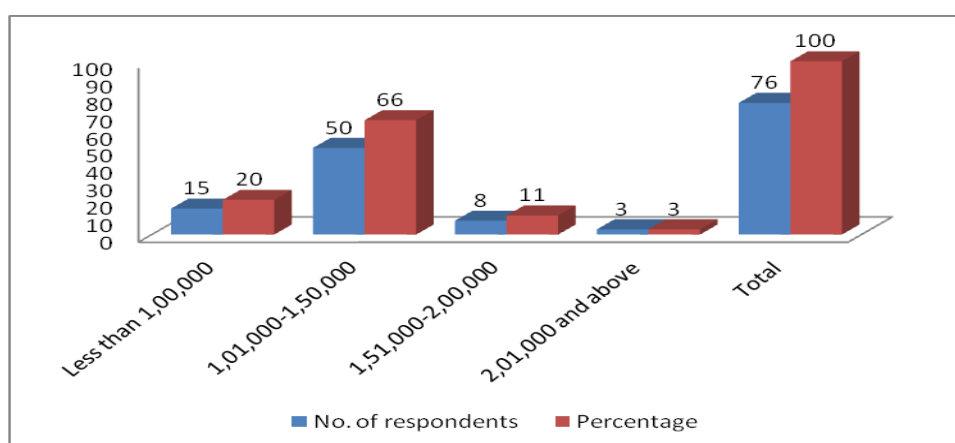
Monthly income	No. of respondents	Percentage
Less than 1,00,000	15	20
1,01,000-1,50,000	50	66
1,51,000-2,00,000	8	11
2,01,000 and above	3	03
Total	76	100

Source: Field Survey

Interpretation:

Through the analysis of the above table suggested that out of the total population selected 50 (66%) respondents were in the income range of Rs. 1,01,000/- to 1,50,000/- by the cultivation of cane sugar, 15(20%) respondents expressed their income less than Rs. 1,00,000/- further 08(11%) respondents were in the income level of Rs. 1,50,000/- to 2,00,000/- finally very less i.e 03(03%) respondents were in the income range above 2,01,000/- respectively.

Graph-3: Annual income of respondent



Source: Table-3

Table -4: Sources of water for Irrigation

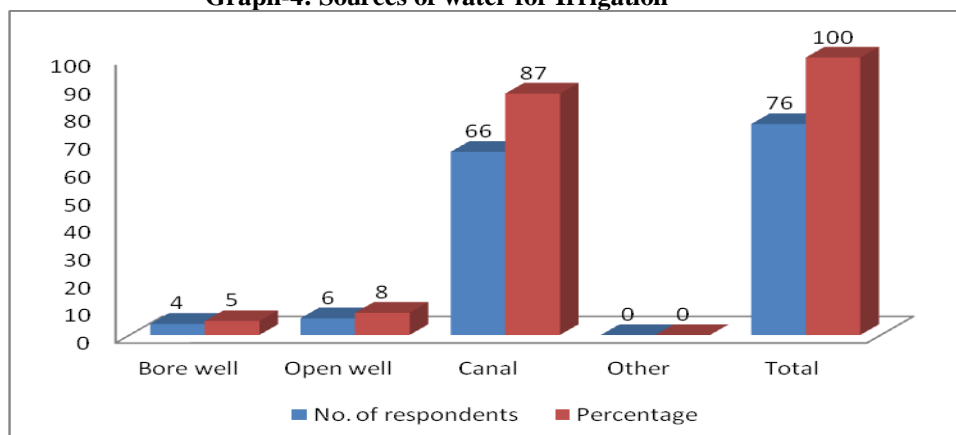
Sources	No. of respondents	Percentage
Bore well	04	5
Open well	06	8
Canal	66	87
Other	00	00
Total	76	100

Source: Field Survey

Interpretation:

From the above table it is found that. 66(87%) of respondents expressed that they use canal water as a source for cultivation of cane sugar. 06(08 %) of respondents opined that they use Open well water for irrigation. 04(5%) of respondents have opted for bore well.

Graph-4: Sources of water for Irrigation



Source: Table-4

Table-5: yield per acre

Yield per acre	No. of respondents	Percentage
Less than 12 tons	03	04
12 to 25 tons	65	86
26 to 40 tons	05	06
40 tons and above	03	04
Total	76	100

Source: Field Survey

Interpretation:

From above table we found that, maximum 65(86%) respondents yield 12 to 25 ton and about 05(06%) respondents yields 26 to 40 tons per acre. 03(4%) respondents yield less than 12 tons respectively.

Graph-5: Yield per acre

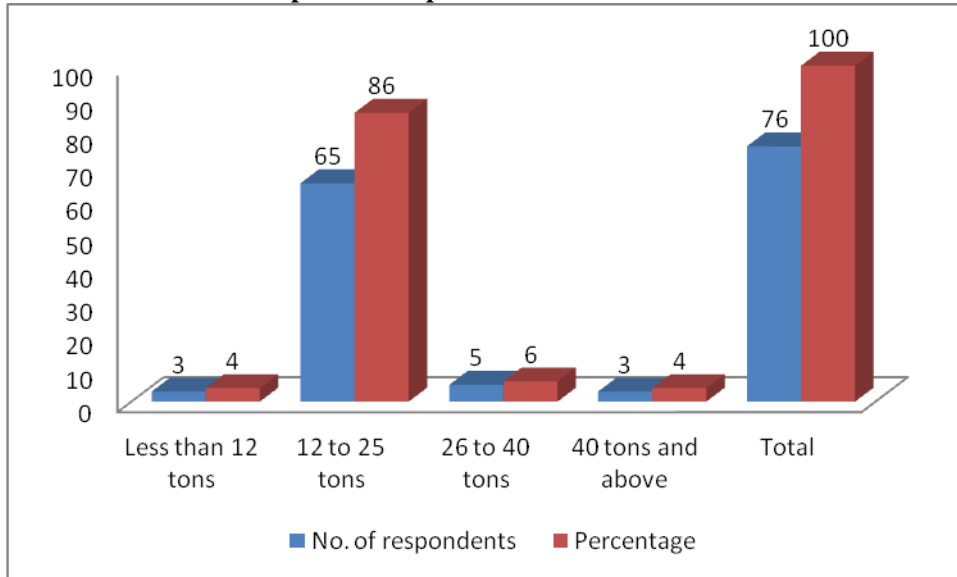


Table 6: Type of sugarcane that respondents are growing

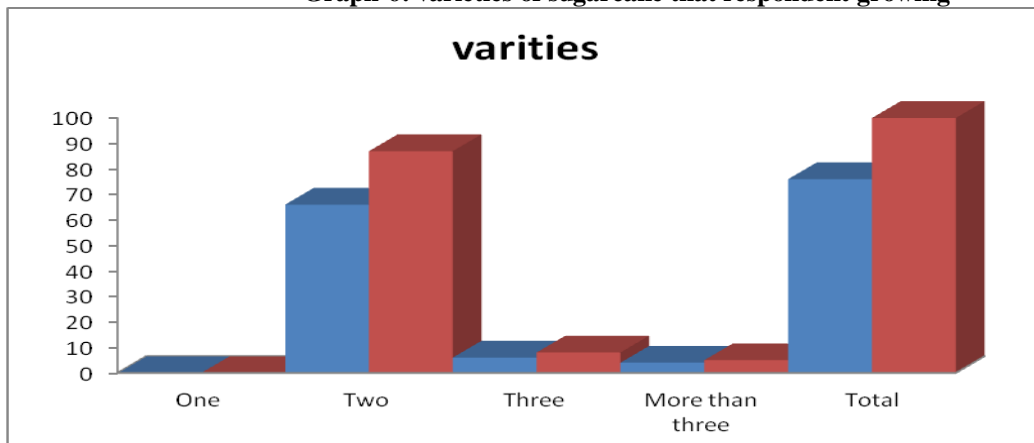
Verities	No. of respondents	Percentage
One	00	00
Two	66	87
Three	06	08
More than three	04	05
Total	76	100

Source: Field Survey

Interpretation:

we found from the above table that, maximum 66 (87%) respondents have planted two types of sugarcane and further it is witnessed that 06(08%) respondents planted three varieties of sugarcane. 04 (05%) respondents have planted more than 3 varieties of sugarcane.

Graph-6: varieties of sugarcane that respondent growing



Source: Table-06

Table-7: varieties of sugarcane

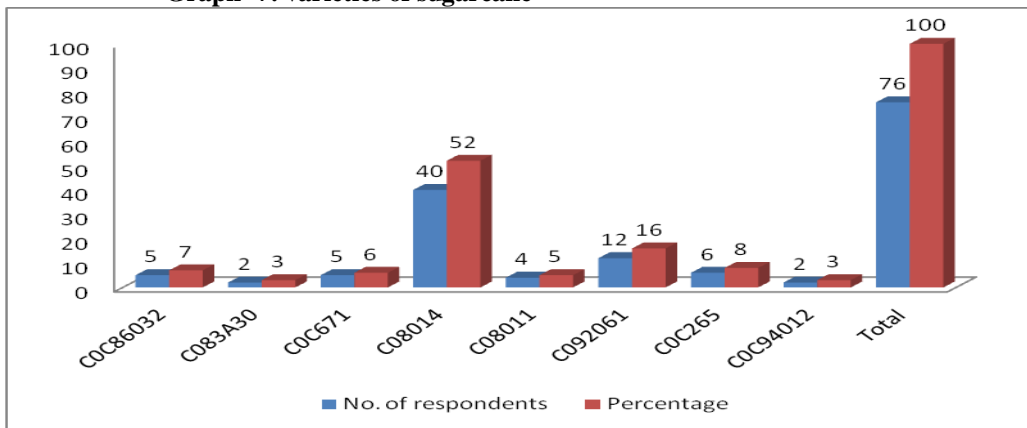
varieties	No. of respondents	Percentage
C0C86032	05	07
C083A30	02	03
C0C671	05	06
C08014	40	52
C08011	04	05
C092061	12	16
C0C265	06	08
C0C94012	02	03
Total	76	100

Source: Field Survey

Interpretation:

From above table we found that, maximum 40(52%) respondents have planted two varieties of sugarcane i.e C08014 and C092061, further 12(16%) were cultivating one variety of cane i.e C092061, 06(08%) respondents planted C0C265 varieties of sugarcane along with C0C86032. Further 05(06%) respondents, have planted C0C671 along with C08011 varieties of sugarcane and about 03 (06%) respondents have planted C083A30 with C0C94012 vice- versa.

Graph -7: varieties of sugarcane



Source: Table-7

Table -8: Distance between field to factory

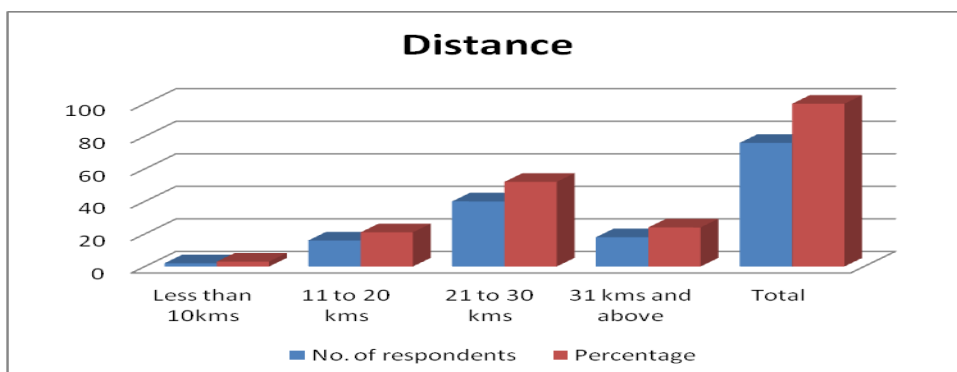
Reasons	No. of respondents	Percentage
Less than 10kms	02	03
11 to 20 kms	16	21
21 to 30 kms	40	52
31 kms and above	18	24
Total	76	100

Source: Field Survey

Interpretation:

From above table we found that, maximum 40 (52 %) respondents have distance of 21 to 30 kms and about 18(24 %) respondents were in distance range of 31kms and above. Further 16(21%) respondents have distance of 11 to 20kms and 02(3%) respondents were in distance of less than 10kms.

Graph-8: Distance between field to factory



Source: Table -08

Table-9: factory providing any support in growing sugar cane

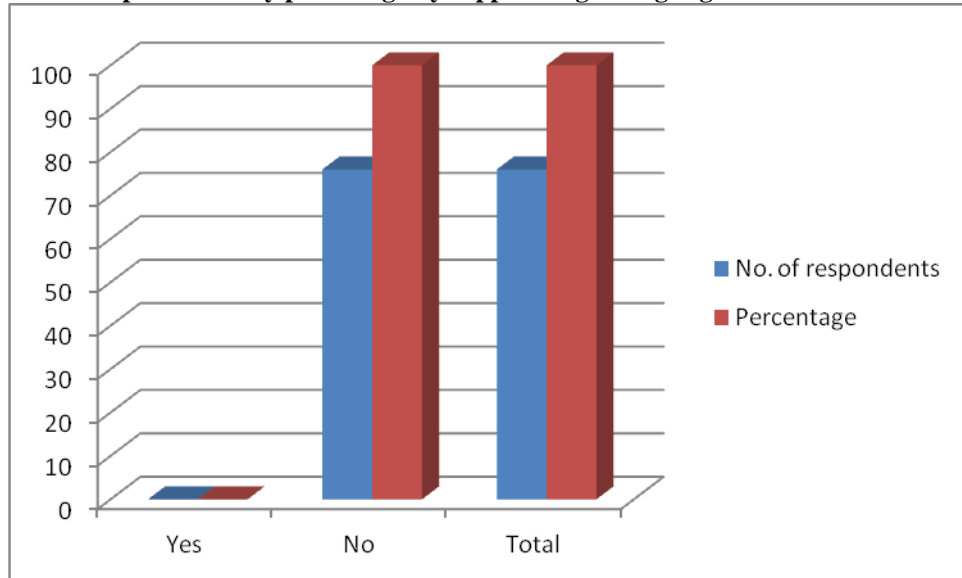
Support	No. of respondents	Percentage
Yes	00	00
No	76	100
Total	76	100

Source: Field Survey

Interpretation:

From the above table it is witnessed that the sample organization has not provided any kind of support for the farmers who are involved in growing of sugar cane.

Graph-9: Factory providing any support in growing sugar cane



Source: Table-09

Table-10: Satisfaction level of respondent towards buyer

satisfied	No. of respondents	Percentage
Yes	00	00
No	76	100
Total	76	100

Source: Field Survey

Interpretation:

The analysis of the above table shows that respondents satisfaction with the price fixed by the buyer, we can clearly come to the result by stating that all 76 % respondents were not satisfied with pricing policy set by the management of the sample company. Hence recommending that company must do better decision to fix a good price per ton for buying purpose.

Graph-10: Satisfaction level of respondent towards buyer



Table-11: Company purchasing the cane on MSP

MSP	No. of respondents	Percentage
Yes	16	21
No	60	79
Total	76	100

Source: field survey

Interpretation:

Table shows that the sample Company is not purchasing the cane on MSP representing 60(79 %) respondents and further 16(21%) expressed that the Company is purchasing the cane on MSP respectively.

Graph 11: Company purchasing the cane on MSP

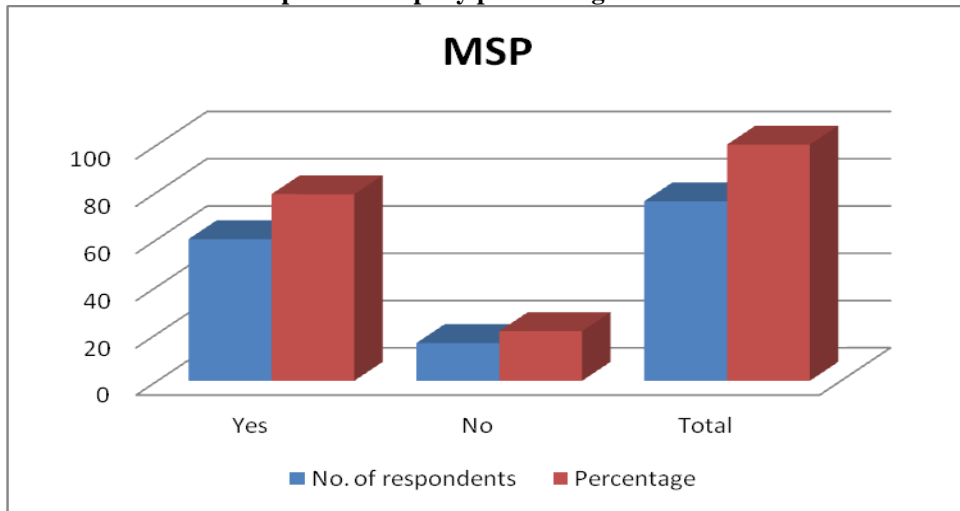


Table -12: Company providing facility to farmers to grow sugarcane

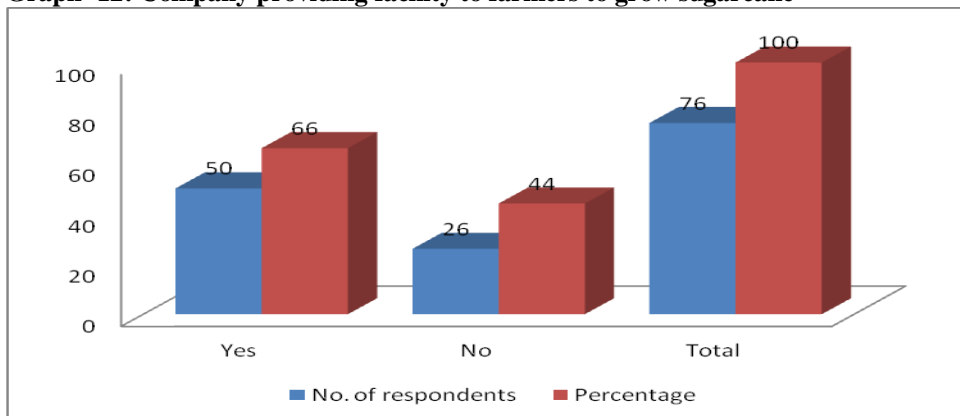
Facility	No. of respondents	Percentage
Yes	50	66
No	26	44
Total	76	100

Source: field survey

Interpretation:

The above table describes that the Company is providing facilities to farmers to grow sugarcane out of the total respondents i.e 50(66 %) respondents opined that the Company provides all necessary help and facilities and further 26(44 %) respondents expressed that no facility through the company was provided.

Graph- 12: Company providing facility to farmers to grow sugarcane



Source: Table: 12

Table -13: Role of government for cane growers

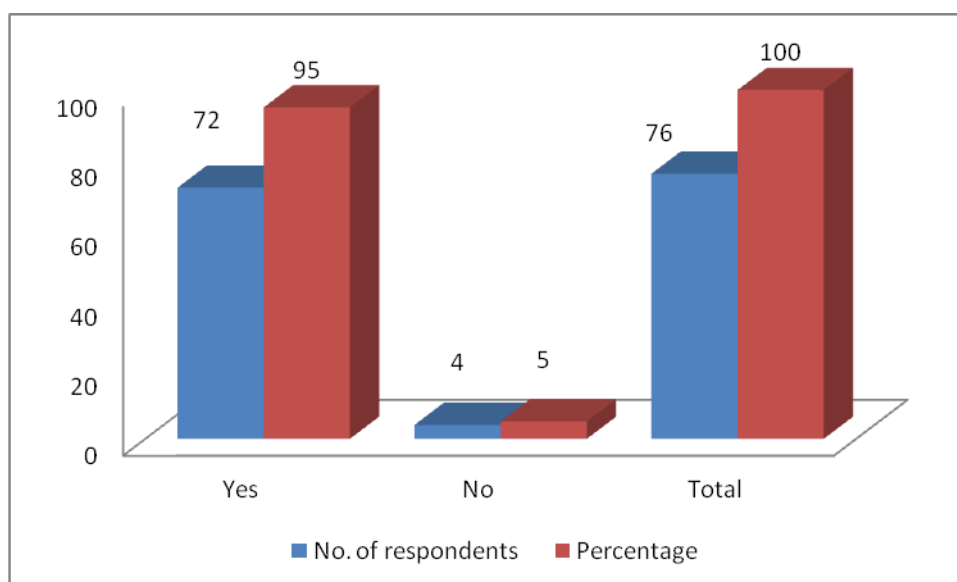
Help from govt	No. of respondents	Percentage
Yes	72	94.7
No	04	05
Total	76	100

Source: Field work

Interpretation:

The analysis of the above table shows that the government is playing an significant role in helping the cane growers i.e. 72(94.7 %) respondents opined that the government is helping them, and 04(05%) respondent said that Government was not providing any help and facilities to growers.

Graph -13: Role of government for cane growers



Source: Table-13

Findings

Based on data analysis some of the prominent findings are drawn,

- Maximum respondents fall under the age group of 41 and above.
- Majority of respondents are illiterate or no educational background.
- Maximum respondent's Annual income is 1, 01,000-1, 50,000/-.
- Canal is the main source of water irrigation.
- According to respondent 12-25 tons is Yield per acre.
- Respondent growing two varieties of sugarcane.
- Majority of respondents have planted two varieties of sugarcane and that is C08014 and C092061.
- Maximum respondents distance between fields to factory is 21 to 30 kms.
- No support by the sample company to farmers for growing sugarcane.
- Maximum respondents are not satisfied with the price fixed by the buyer.
- Company is not purchasing sugar canes on "MSP".
- Company is providing facility to farmers to grow sugarcane.
- Most of respondent states that government is playing a role in helping cane growers.

Suggestions

Based on the findings of the study suitable suggestions are recommended.

- Farmers need to be educated so that they produce more and get good yield per acre.
- Government must improve existing regulations of sugar sector along with pricing of sugar cane.
- The government has to speed up the process of purchasing cane at a good price which can directly motivate the farmers to go for long term cultivation of the crop.

Conclusion

Sugar is a sector of significant to the national economy. While consumption has been growing historically, the production has been cyclical. At present, the sugar industry is regulated across the value chain. Investments in by-products are at a nascent stage, and the sector has struggled to generate return on invested capital in excess of its cost of capital in most of the years, primarily due to a high mandated fixed cane price and a volatile sugar price.

References

1. <http://www.thehindu.com/news/national/karnataka/sugarcane-price-at-rs-2500-a-tonne-in-karnataka/article5386967.ece>
2. <http://sugars.kar.nic.in/>
3. company reports and manual
4. Governmental reports, government of Karnataka
5. Reports ministry of co-operative societies, government of Karnataka