

ROLE OF CO-OPERATIVE SUGAR MILLS IN RURAL DEVELOPMENT IN TAMIL NADU

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ABSTRACT

Sugar Industry is the second largest agro-based industry in India. It has deep impact on agriculture as it depends on sugarcane as raw material for sugar production which provides employment to millions of farmers by boosting cane cultivation by various ancillary activities. Being an agro-based industry, Tamilnadu co-operative sugar mills influences lives of the agriculturists in rural areas and provides many economic benefits to them. Backward linkages pertain to cane development and cane growers contributed to prosperity, while the forward linkages include development of activities like banking, education, health services, ancillary industries, by-products based and sugar based industries and this transformed rural areas into semi urban area by providing some amenities of urban areas. The sugar co-operatives of Tamilnadu have brought about significant socio-economic development in its rural areas. Hence, by considering the benefits available to people living in rural areas, the co-operative sugar sector has to be encouraged for the survival with sound performance.

Keywords: *Sugar Production, Sugarcane, Sugar Co-operatives, Indian Economy, Rural Development.*

INTRODUCTION

Sugar Industry started growing in an organized way after the introduction of the Sugar Industry Protection Act in 1932. India has 20 per cent of the total sugar mills in the world. Indian sugar industry constituting of co-operative, private and public that accounts for about 54 per cent, 40 per cent and six per cent of the total mills 527 in operation. The first sugar plant in India was established at Aska in Orissa in

the year 1824 and first vacuum pan process sugar plant was set up in Bihar in 1904. In the year 2010-11 sugar mills have an average cane crushing capacity of 3500 TCD and have the total installed production capacity of 241.71 lakh tones. Due to heavy domestic consumption India is not in a position to export sugar in large quantity.

SUGAR MILLS IN TAMIL NADU

Sugarcane is one of the most important industrial crops in Tamil Nadu. It is also emerging as multi product crop contributing to the production of sugar, jaggery, alcohol, electricity, paper and other allied products. The substance of the sugar mills and well-being of the sugarcane growers is mutually inter linked. Hence the major focus is towards enhancing sugarcane productivity and production and thereby improving the living standard of the sugarcane growers.

Around 3.50 lakhs farmers are cultivating sugarcane in Tamil Nadu which is five per cent of the total cultivable area. The sugar industry plays a major role in the economic development of rural areas in Tamil Nadu. The sugar industry generates large-scale direct employment, apart from providing indirect employment to thousands of persons in rural areas who are involved in cultivation, harvesting, transport of cane and other service. In Tamilnadu 15 sugar mills are in co-operative sectors two sugar mills are in public sectors and 26 sugar mills are in private sector in the year 2009-10.

CO-OPERATIVE SUGAR MILLS IN TAMILNADU

During the year 1933-1935 the co-operative movement made inroads in the sugar sector. Adoption of land reform policy by the government of India was one of the reasons for the growth of co-operative sugar mills in Tamil Nadu. The Tamilnadu Co-operative Sugar Federation is an apex body of all sugar co-operatives.

Table showing district-wise distribution of Co-operative Sugar**Mills in Tamil Nadu**

District	Co-op. Sugar Mills
Coimbatore	Amaravathi
Cuddalore	M.R.K.
Dharmapuri	Dharmapuri Subramania Siva
Nagapattinam	N.P.K.R.R.
Namakkal	Salem
Tiruvallur	Tiruttani
Tiruvannamalai	Cheyyar
Vellore	Ambur Tirupattur Vellore
Villupuram	Kallakurichi-I Chengalrayan Kallakurichi-II

- **Sugar Production**

The Co-operative sugar mills in Tamilnadu have been making its significant contribution to the economy in terms of production .The main product of co-operative sugar mills is raw sugar.

**Table showing Sugar Production by Co-operative sugar mills in Tamilnadu
Mills in Tamil Nadu**

S.No	Year	Sugar Production (in lakh tonnes)
1.	2001-2002	5.21
2.	2002-2003	4.51
3.	2003-2004	2.32
4.	2004-2005	2.54
5.	2005-2006	4.99
6.	2006-2007	7.03
7.	2007-2008	5.30
8.	2008-2009	4.27
9.	2009-20010	2.92
10.	20010-2011	3.60

SUGAR INDUSTRY'S CONTRIBUTION TO INDIAN ECONOMY

Sugar industry has great importance in the economy of India, as India is the largest producer of sugar in the world. The unique position was achieved in 1991-1992 sugar season, i.e., from October 1991 to September 1992. The total sugar production was 134 lakhs tonnes during the same period. Thereafter the sugar production was increased to 182 lakhs tonnes in 1991-2000. It has entered only in 1957 in India into the world market as an exporter of sugar. Within a short period it has emerged as a significant sugar exporting country.

Indian sugar industry has also turned out to be a massive enterprise of gigantic dimension. It plays a major role in rural development and its importance for India stretches far beyond the role of a sweetener supplier. Indian sugar industry uses sugarcane and cane accounts for 80 per cent of sugar produced. At present in India sugarcane is grown over 4 million hectares land. The production of sugarcane in India has increased during the last 10 years and still on increasing trend. Sugarcane crushed 239.80 lakh tonnes increased from 185.50 lakh tonnes during 2010 and yield of sugarcane is recorded as 68.60 tonnes per hectare.

RURAL DEVELOPMENT THROUGH CO-OPERATIVE SUGAR MILLS IN TAMILNADU

The sugar co-operatives have contributed a great deal to cane development. As co-operatives are owned by growers, the management of co-operative mills takes special interest in the cane development of the area to improve the productivity. Besides the development of cane cultivation, it has extended group action for the improvement of socio-economic condition of thousands of farmers as well as people in general through various methods like irrigation sources, supply of agricultural inputs, credit facilities, extension services, cultural development etc., Being an agro-based industry it directly influences lives of the agriculturists in rural areas and provides many economic benefits to them.

- **Increased Sugarcane Productivity**

The sugarcane productivity is increased by improving the physical properties of the soil through bio-composting along with Integrated Nutrient Management and utilization of organic resources as organic manure.

- **Improved Sugarcane Yield**

The sugar co-operatives along with Tamil Nadu Agricultural University and other Sugarcane Research Institutions have introduced promising high yielding, drought and pest-resistant varieties like COC-24, CO- 99004, CO-99006, CO-94012, COSI-7, COG-5 etc, in addition to the existing ruling varieties CO-86032, COC-22 etc. The Sugarcane Cess Fund is also utilized for developing new sugarcane varieties in co-ordination with Tamil Nadu Agricultural University.

- **Lift Irrigation Scheme**

Sugar co-operatives in Tamil Nadu sponsored the lift irrigation schemes with a view to increasing the land under sugarcane. They promote lift irrigation schemes, boring and deepening of wells, supply of engines, pumps and motors. The keen interest shown by the sugar co-operatives gives guarantee to the banks for extending loans for irrigation schemes.

- **Sugar Development Fund (SDF) Loans**

The Sugar Development Fund was instituted by the Government of India (GOI) in 1982 with the objective of rendering financial assistance through loans at concessional rates for rehabilitation and modernization of sugar factories as well as for sugarcane development. The scope has subsequently been enlarged to cover projects involving bagasse based co-generation of power and production of Anhydrous alcohol or ethanol from molasses undertaken by sugar units. IFCI has been the Nodal Agency for monitoring of Sugar Development Fund (SDF) loans for projects related to modernization and expansion, co-generation of power and production of alcohol/ethanol in the private sector.

- **Road Development Scheme**

The sugar co-operatives in Tamil Nadu have taken interest in the development of roads in their area of operation through the Sugarcane Road Development Scheme. The scheme was formulated during 1966 to build up network of link roads between sugarcane growing areas and the sugar mills concerned. The rural areas of Tamil Nadu mainly get benefit by this scheme. The funds for the Sugarcane Road Development Scheme are generated by levy of cess by the State Government

- **Employment**

The cultivation of sugarcane and existence of sugar mills are having a lot of bearing on the teeming unemployment in the state. Co-operative sugar mills provide employment towards appointing regular and seasonal staff. The work force employed by sugar mills which include sizable number of technical and administrative staff and Executives , highly trained Engineers and Chemists.

- **Educational facilities**

The sugar co-operatives have taken a significant role in promoting the educational facilities for their employees' wards and people living nearby areas. The sugar mill authorities themselves organized primary and secondary schools, polytechnics, colleges which are located in the mill's premises itself. Sugar co-operatives had started the educational institutions near the factory site with the help of Commissioner of Sugar. It provides all the educational aids to all the children which are admitted to the sugar mills educational institutions. The students, who earmark their names in merit list of H.S.C. Diploma examinations belong to agricultural families, are facilitated by the factory every year. The mills is paying book allowance to the children of employees to the value of rupees 50-100 as per eligibility. The mills are also honouring the wards of the employees who are getting 1st and 2nd place in 10th helped standard by giving cash incentive of rupees

1500 and rupees 1200 respectively. The mill is giving Education Loan on interest free easy installments for the wards of the employees for higher studies like polytechnic and colleges.

- **Medical facilities**

Sugar co-operatives in Tamil Nadu paid special attention to provide adequate medical facilities to its members, employees, labourers and other rural population. A full-fledged regular dispensary, catering to the needs of mill employees, their families, Polytechnic and Matriculation School students and their staff is functioning headed by a fully qualified full time Medical Consultant.

- **Public Family Welfare Centre**

Co-operative sugar mills join the nation-wide polio eradication programme (PULSE) and hundreds of children were immunized at mill's centre. At present the Salem co-operative sugar mills is only having Public Family Welfare Centre and is charging rupees 50 per day for a patient only towards service charges for conducting deliveries. The Centre offers the service to the sugar mill's employees, cane grower members and the public. A well-built Kalyana Mandapam by name "Anna Kalaiaragam" is maintained and it is rented out to the employees of the mills and grower members at a subsidized rate.

CONCLUSION

The rural development through sugar co-operative mills of Tamil Nadu can be judged from the fact that the sugar production, sugarcane growers and large number of rural labours depend on sugarcane and sugar mills for their livelihood. Being in Co-operative sectors, the mill strongly believes in the production of quality product and dedicated services to rural people. All Co-operative sugar factories have been mostly a nucleus for the development of rural areas around them.

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