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Cooperative Sugar Industry: Political Economy and Challenges of Development: A Comparative Study of Two Regions in India

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Abstract

In India, the co-operative movement in its modern form started in 1904 with the introduction of the Cooperative Credit Societies Act on 25 1904. It has been acknowledged as an instrument toward achieving the socio-economic transformation of society. Co-operatives provided cheap credit to the farmers and saved them from the hands/net of money lenders. It was only in the early 1930s that the cooperative movement penetrated the sugar sector. The increasingly high rates of interest charged by money lenders and violent fluctuations in the Gur, Jaggery, and Sugar markets, led the farmers to utilize the underlying notion of self-help and self-reliance, in the Cooperative Societies Act. Subsequently, it led to the setting up of cooperative societies and cooperative sugar factories. However, the real growth of the cooperative sugar sector started after India's independence, when the Government decided to industrialize the country by expanding the cooperative sector. The principal of cooperation was assigned an important role in the country's economic and social development and was given priority over the other sectors. Currently, there are 28 units in UP. Due to the involvement of farmers' right from the inception, the sugar factories were never looked upon as merely processing units of sugarcane, but through the medium of the factories, they endeavored for, educational and cultural development of the entire area surrounding the sugar factories. The present paper based on secondary sources and some field observation emphasizes the co-operative policy and its role in the sugarcane industry with a special focus on Uttar Pradesh. It has also tried to explore the reason why the cooperative sugar industry is not successful in up while very successful in Maharashtra. In UP sugar co-operatives are facing many challenges as corruption, red-tapism, and government ignorance attitude.

Keywords: *Sugar Industry, Sugarcane, Cooperative, Challenge, Development*

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Introduction

The Indian sugar industry uses sugarcane in the production of sugar and hence the maximum number of the companies is likely to be found in the sugarcane growing states of India including Uttar Pradesh, Maharashtra, Gujarat, Tamil Nadu, Karnataka, and Andhra Pradesh. Uttar Pradesh alone accounts for 24% of the overall sugar production in the nation and Maharashtra's contribution can be totaled to 20%.

There are 453 sugar factories in India. The cooperative sector has 252 plants and the private sector has 134 factories. Public-area gloats of around 67 factories. Uttar Pradesh Sugar Industry is one of the biggest sugar ventures in the Indian economy. The all-out sugar creation under the Uttar Pradesh sugar industry would prompt 7.5 million tons, making Uttar Pradesh the greatest maker of sugar in India. The sugar business' commitment, to the Indian economy, is by and by huge with its absolute turnover of over rupees 55 thousand crores (rupees 500 fifty billion) or 12 billion U.S. dollars/year. The Indian sugar industry is among the biggest citizens to the Central exchequer contributing rupees 2,000 600 crores for each annum (rupees 26 billion) or 0.568 billion U.S. dollars/year. Furthermore, the business likewise contributes significantly to the State exchequer. More than 50 million sugarcane ranchers and their wards and a huge mass of agrarian workers are engaged with sugarcane development, reaping, and auxiliary movement. It merits referencing that the business utilizes more than five lakh gifted and incompetent specialists essentially from country territories. In this way, over 7.5 % of the country populace of India is straightforwardly or by implication subject to the sugar business. Today India is the second-biggest maker of sugar on the planet after Brazil and the helpful area is answerable for around 48 % of the absolute creation. The function of the helpful area of sugar plants in the financial advancement of India can barely be overemphasized. The part of the agreeable area is of central significance in the current situation of a changed economy since it is just a helpful exertion that can make Indian sugar universally serious. Be that as it may, for this, the Cooperative Sector of the sugar business should be allowed to work equitably. There are still a few States where the Cooperative Sector sugar production lines are overseen by the Government selected Administrators. (NFCSF)

Methodology

The present paper based on field observation of a cooperative sugar factory area and secondary sources emphasizes the co-operative policy and its role in the cooperative sugarcane industry with a special focus on Uttar Pradesh Maharashtra. It has also tried to explore the reason why the cooperative sugar industry is not successful in up while very successful in Maharashtra.

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Historical Background

It is commonly perceived that India is the nation of sugarcane and sugar. There are references to sugarcane improvement; it's staggering, and the arranging of Gur in Atharva-Veda similar to Kautilya's Arthasastra. The copyists of Alexander the Great, who came to India in 327 BC recorded that inhabitants chomped a heavenly reed which conveyed such nectar without the help of bumblebees. The Indian severe commitments contain five "Amritsar" (elixirs) like milk, curd, ghee (clarified spread), nectar, and sugar—which exhibits how huge sugar isn't similarly as a thing of usage yet as a thing which impacts the Indian way of life. It is seen that sugar was from the outset made in India during the fourth and sixth many years by cutting sugarcane into pieces, crushing the pieces by weight to remove the juice, and a while later percolating it to crystallize. These jewels were assigned "Sarkara" which means rock in Sanskrit. The word sugar is a subordinate of "Sarkara." The greater inconsistencies were viewed as Khand from which the English word "Desserts" is resolved. Around 600 ADS the Chinese Emperor, Tsai Hang sent a courier to Bihar—where sugarcane was created for making sugar—to pick up capability with the strength of making sugar. Thus it is from India that the forte of making sugar went to Persia and along these lines to the world over. Notwithstanding the way that sugarcane was being filled in India from a long time ago and sugar conveyed in tangles during the fourth century, there was no sugar industry in India. It is said that the primary sugar plant in quite some time was set up by the French people at Aska in Orissa in 1824. Almost no is pondered this assembling plant besides that it was kept up by Late James Fredrick Vivian Minchin and that it stopped its movement around 1940. In any case, the essential vacuum skillet measure sugar plant was set up at Saran in Marhowrah in Bihar in 1904. By 1931–2 there were 31 sugar plants in India which were all in the private territory. The total production of sugar around then was exceptionally about 1.5 lakh tons; however, the use was around 12 lakh tons. To fulfill the local requirement for sugar, India expected to import sugar overwhelmingly from Java, Indonesia. (NFCSF)

A Macro-Economic Overview

In 1930, the Tariff Board set up by the Government of India chose to prescribe an award of assurance to the Indian sugar industry via forcing a traditions obligation of 7.25 % in addition to an extra charge of 25 % on the sugar imported to India. Likewise, the Government of India proclaimed in 1932 the Indian Sugar Industry Protection Act for a very long time, in this way empowering the Indian Sugar Industry to create, settle, and contend with imported sugar. Due to this security conceded to the Indian sugar industry, there was a spray in the foundation of sugar mills and by

1933–34, 111 sugar manufacturing plants were creating 4.6 lakh huge loads of sugar. In any case, the improvement was basically in the private sector and the subtropical belt, involving the States of Uttar Pradesh, Bihar, Punjab, and Haryana. By 1940–41 the number of sugar mills had expanded to 148 and production was around 11 lakh tons. Indeed, even these 11 lakh huge loads of sugar production couldn't be relied on, as there was a variance in the supply of sugarcane. After 1940-41 there was no development in the Indian sugar industry for quite a while and India kept on relying intensely on imported sugar. Further, as all the manufacturing plants were set up by private industrialists, the sugarcane growers were exploited and the Government needed to take different measures and pass laws identifying with sugarcane cost and its installment to secure sugarcane farmers (ibid).

Passing of the Cooperative Societies Act, 1904

The Cooperative Societies Act was authorized in India in 1904 with a restricted goal to give modest credit to the sugarcane growers and spare them from the abuse of money lenders. It was distinctly in the mid-1930s that the helpful development entered the sugar sector. The inexorably high paces of revenue charged by money lenders and rough variances in the Gur, Jaggery, and Sugar markets, driven the sugarcane growers to use the basic thought of self-improvement and confidence, in the Cooperative Societies Act and prompted the setting up of the cooperative societies and cooperative sugar factories. Notwithstanding, the genuine development of the cooperative sugar area began after India's autonomy when the Government chose to industrialize the nation by extending the cooperative sector. The principal of cooperation was assigned a significant role in the nation's economic and social development and was given priority over different areas. Due to the involvement of farmer's right from the origin, the sugar factories were never looked upon as merely processing units of sugarcane, but through the medium of the sugar factories, they endeavored for the socioeconomic, educational, and cultural development of the entire area surrounding the sugar mills (ibid).

Growth of the Cooperative Sector of Sugar Industry

The growth of the Indian sugar industry in an organized way had its starting, when the Government of India passed the Industrial Policy Resolution on April 6, 1948, trailed by the Industrial Act, 1956, wherein the rule of Cooperation was relegated a significant function for the nation's economic development, especially for industries based on agricultural products like sugarcane. The Government of India has begun to give priority to the licensing of new sugar mills in the cooperative sector under this policy. In all the subsequent Industrial Policy Resolutions adopted by the Government before the de-licensing of the sugar sector in 1998, this policy was emphasized again.

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Primarily responsible for the rapid growth of the sugar industry in India was the preferential licensing scheme.

Because of the government's preferential licensing policy, there was a surge in the establishment of sugar factories, especially in the Maharashtra cooperative sector. For all the cooperatives in India, the evolution of the cooperative sugar industry in Maharashtra was a trendsetter. Pravara, Sanjivani, and Sangamner represented a group of considerable significance for the establishment of sugar factories in areas which had no irrigation facilities and which were almost barren, not only because of the success they achieved as agro-industrial units concerned with the development of a significant commodity such as sugar but also in terms of the distribution of socio-economic benefits. The implementation of the social land reform program by the government of independent India was another important change. The limit on landholdings, both irrigated and dry land was imposed. This made private sugar factories unworkable with captive large sugarcane plantations. The sugarcane properties established by private sugar factories in the State of Maharashtra were also taken over by the State Government and put under the control and management of the State Farming Corporation, an undertaking of the State Government. In the sugar sector, private entrepreneurs have lost interest (ibid).

The first cooperative sugar factory was set up in the year 1957 in region Nainital (at present in Distt. Udham Singh Nagar). It was introduced by India's first Prime Minister Pt. Jawahar Lal Nehru on February 16, 1959. Its effective activity acquired eagerness UP and thus, other new co-operative sugar plants were introduced. From 1959 to 71, there were just five co-operative sugar plants in U.P. Five additional factories were set up during the fifth 5-year plan. "Dhuriapar" is the most recent unit which was established in 1996–97. At present, there are 28 units in UP of which 6 in the western zone, 14 in the central zone, and the Rest 8 in the eastern zone. Five Sugar factories to be specific Dhuriapar, Station, Aurai, Powayan, and Majhola are not in active condition. Hence sums of 23 co-operative sugar factories are functional in UP in the co-operative sector with an absolute crushing limit of 60,000 TCD. In the underlying stage, the vast majority of the co-operative sugar factories were set up with a devastating limit of 1,250 tons/day. Because of swelling, the creation cost continued expanding and the monetary situation of sugar factories was seriously influenced as far as deals acknowledgment. In this manner 1250 TCD plant become unviable and it was needed to grow the devastating limit as much as 2,500 tons/day dependent on stick accessibility. Sugar Federation effectively extended the devastating limit of 21 sugar factories from 1250 TCD to 2,500 TCD somewhere in the range of

1988 and 1989 to 1997–98 out of a very much arranged way. During Crushing season 1999–2000, three sugar plants Belrayan, Sampurna Nagar, and Nanauta factories were extended from 2,500 TCD to 5,000 TCD (upsugarfed).

Discussions

Due to a successful alliance between large, medium, and small cane growers, the cooperative sugar factories in Maharashtra can function effectively. The factor for the rise of this partnership is twofold: first, within the enterprise itself, there are technological and economic factors that cause the larger farmers to encourage the steady involvement of the smaller ones. Second, in the region as a whole, the structure of agricultural ties is favorable to pragmatic innovation and a sense of shared purpose among large and small farmers. These factories demonstrate that the success or failure of cooperatives is determined by both the internal structure of class interests and the external atmosphere of agrarian relations. First, consider the internal factors, specifically the class interests of small and large cane growers and the benefits they receive. Cane growers in a given area, say 15–100 villages, form a co-operative factory. The vast majority of growers hold three shares or less, each share equivalent to 1.5 acres of annual cane production. Sugarcane is usually grown on a 3-year rotation with other crops, so annual cane acreage is equivalent to at most one-third of the grower's perennially irrigated land. In other words, three shares (at .5 acre of cane apiece) are equivalent to 1.5 acres of annual cane, which corresponds to at least a 4.5 acres holding of irrigated land. Not all the small shareholders are small landowners, since shares are sometimes divided among several family members; but most *of* the shareholders are certainly small- and medium-scale farmers, owning less than 10 acres of irrigated land. Individually, the small and medium growers supply insignificant amounts of cane to the factories; but collectively, they supply perhaps 40 or 50 % or more of the total cane. This can be demonstrated with estimates derived from the distribution of shares owned in the co-operative factories. There is no question that the small- and medium-scale farmers benefit from the services which the sugar factories provide: these factories guarantee crop loans from village credit co-ops and provide automatic repayment; they help to establish ancillary organizations, such as lift irrigation societies, poultry co-ops, and so on; they distribute improved seed, chemical fertilizer, and research information; they provide soil testing services; they organize the harvest and transport of cane through contract teams; they process the crop into sugar, and they market the sugar and distribute the profits in the form of high) cane prices to the member-farmers. The importance of the co-operative sugar factories to all their members is indicated by the fact that at least

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75 % of the members attended those annual general body meetings (where questions were raised from the floor and decisions were sometimes vigorously debated) and that nearly 100 % of the members voted in the regular elections of the boards of directors (Baviskar & Attwood, 1984).

Each large farmer certainly grows more sugarcane and earns a larger *total* income through supplying cane to a co-operative factory, but he could often earn such profits even before the co-operative factories were organized (Attwood, 1979a, 1984a, 1985; Baviskar, 1980). A small cane grower earns less total profits, but the co-operatives help to make him viable. Since the big farmers would profit with or without the cooperative factories, but the small farmers might not survive at all, it can be argued that the latter benefit even more than the former.

The large farmers dominate the elected boards of directors, and they use these elected positions to maneuver for even greater power in state party politics (Baviskar, 1980). These 'sugar barons are wealthy and powerful figures in the countryside, but they are certainly not closed or reactionary elite. In spite of their factional quarrels, many of the sugar factories work quite efficiently, just because there is no closed elite. Any group of leaders that impairs the operation of the factory will be thrown out in the next election. The elected directors, in consultation with their technical and managerial employees, make the basic policy decisions and are held responsible for them. Leaders respond first to their most loyal constituents (members of the same kin or caste groups', but they also know that they must be able, to appeal to a diverse set of other constituencies to get re-elected (Attwood, 1979b).

Factories with Other Co-Operatives

At this point, it becomes possible to examine similar kinds of co-operatives in other parts of the country, to see whether the foregoing explanations bear up under cooperative testing. The first comparison will be with the co-operative cane supply unions of northern India, These cane supply unions were organized in the late 1930s and run entirely by government officials: most of the cane growers felt that they had little or no control over the activities of their unions (Hirsch, 1961, pp. 111–116). Though each union had officers elected from among the growers, these officers did not seem to be active in the administration of the unions. Moreover, it seems likely that the officers were, and perhaps still are, the same middlemen who used to procure cane for the private factories on a more informal basis (see Amin, 1984, p. 266). For example, Hirsch (1961, pp. 100–101) tells the story of a landlord who was approached by both mill owners and government officials to become a union director in 1937. Amin (1984, pp. 212–211) reports that, when the cane supply unions were getting started in the late 1930s, local landlords and moneylenders often managed to subvert the controls which the unions were supposed to exercise over cane deliveries and payments, and complaints were made by the small growers against dishonesty in many of the unions. Hirsch (1961, pp. 111–116) mentions later widespread accusations of favoritism in the allocation of cane purchase slips; and he goes on to describe an unsuccessful attempt by some 7,000 cane growers to boycott their unions and sell cane directly to the factories.

Verma (1983, pp. 56–77) has studied the inequities in one co-operative cane supply union in central U.P. this union was always helpful to the large sugarcane growers, arranging early harvests, timely payments, and irrigation equipment loans for them. Some of these benefits (except the loans) also went initially to the small growers, but their benefits have declined drastically since about 1950. The large sugarcane farmers have conspired with the owners of the sugar mills and the government bureaucrats who operate these cooperatives to take away a substantial portion of the benefits from the activities of the union. Why should the cane supply co-ops, dedicated to the common interests of the cane growers, work so poorly and unfairly in northern India, when the co-operative sugar factories work so well in western India? In the northeast, the old heartland of the sugar industry, it can be argued that the stratification system contributes to disunity among the cane growers. This is an area of predominantly wet-rice agriculture, and like other such regions, historically had dense populations, rigid and polarized class systems, traditional landed elites, and few opportunities for growing village entrepreneurs (see Amin, 1984; Ludden, in press; Stokes, 1978). It also appears that kin and caste relationships in the northeast, far from given those opportunities for alliances between large and small farmers, may make stronger the economic divisions between them. That is, middle and low caste tenants, small farmers, arid agricultural workers are confronted by high-caste, non-cultivating landlords. The difference in caste status and economic skills and experience (since high-caste landlords do not engage intensively in the production process) means that in order to reinforce cooperative alliances, there is less cultural identity between rich and poor villagers. In other words, it appears that agrarian relations and distinctions of status have been placed in a more rigid mold, hindering developments and pragmatic alliance-making between classes.

The social climate, however, does not fully explain the failure of the cane supply unions, since these unions in the northwestern region, where the stratification system is looser and less polarized; have similar problems as in Maharashtra (see

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Brass, 1980; Hirsch, 1961, pp. 111-116). According to Attwood's opinion, the most essential problem with the co-operative cane supply unions is that they suppose common interests among the cane-growers but do nothing to make or make stronger those interests. The large farmers who dominate the co-operative sugar factories of Maharashtra must encourage a steady supply of cane from the small farmers, or else the factories will run at a loss, and the members will not receive good prices for their cane. In the case of the northern as Uttar Pradesh cane supply unions, by contrast, there is no such complementarily of interests. If the small farmers are unable to sell their cane, the larger farmers are not injured; on the other hand, they benefit from limited competition. Since larger farmers do not have a stake in the overall profitability of private sugar factories, they do not have a stake in an equitable system of cane supply. Their only logical aim is to try to dispose of their cane at the best time and at the highest price possible. This contrast between, on the one hand, the northern cane supply unions and on the other, the western cooperative sugar factories shows the weakness of a great deal of cooperative planning. It is, of course, well understood by planners that large and small farmers often have competitive or divergent interests. Much of the planning and exhortation assumes, however, that these divergences can be overcome either through bureaucratic controls or through the organized strength of the small farmers. Both, however, are extremely thin reeds on which to build a complex organization. If the organization does not create an economic reason for the large farmers to encourage the participation of the smaller ones, it may not provide even a semblance of efficiency, much less of equity.

According to this study, if cooperative cane unions are doomed to failure, then perhaps the northern Indian sugar industry could be revived by the spread of cooperative sugar factories, a suggestion that has received serious official consideration. However, if our portrayal of agrarian relations in the humid and densely populated northeastern region is at all accurate, it would appear that successful alliance-building between small and large cane growers is less likely to occur there than in Maharashtra. This may account for the very slow rate at which co-operative factories have been established in the northeast. In the semiarid northwestern area, by difference, geographic conditions and Agrarian relations are similar to those in Maharashtra, so we would expect that the cooperative sugar factory should be successful there. "The main reason seems to be that sugarcane is a less profitable and less important crop than it is in Maharashtra, so there is less incentive to overcome the organizational problems of-the industry". The cool winters in the northwest mean that cane will not yield as well as it does in southern and western regions; and wheat, by contrast, is a more successful crop than it is further south. Thus the farmers have not attempted to reshape their production systems (as they have in Maharashtra) to suit the demands of sugarcane (Attwood, 1984a, 1985).

Since the sugarcane crop is less supreme and since the relations of production are therefore shaped to fit other ends, it appears that the farmers in this region are a lesser amount of interested in the organization and management of their co-operative sugar factories. These factories have not attempted to set up the centrally-organized harvest and transport systems created by the co-operative factories in Maharashtra, thus leaving the fundamental cane supply problem partially unresolved (ibid.). If a cooperative is huge, complex, and costly and does not occupy a crucial place in the local production system at the same time, entrepreneurs concerned with other issues can neglect its organizational problems.

It considered the alliance between large and small cane growers which underpins the co-operative sugar factories. It was found that this alliance is rooted in a combination of internal and external factors. The latter include an agrarian system in which large and small farmers belong mostly to the same caste and thus share a cultural and political identity. Moreover, the Irrigation frontier' in this region has stimulated economic mobility, migration, and innovation, further softening the perceived differences between rich and poor farmers. The internal factor which promotes alliance between large and small cane growers is the need to invest in heavy industrial equipment for processing sugarcane. This heavy equipment will bring a profit only it is used at full capacity; consequently, the big cane growers who control the sugar factories find it in their interest to encourage the steady participation of the small growers.

Leadership patterns also affect the success or failure of the cooperatives which is appropriate in one type may not be at all effective in another, even when other conditions are similar. Co-operatives in different parts of the world, including India, have suffered from inadequate understanding and wrong expectations by planners and policymakers. Cooperatives have often been imposed from above as a remedy to solve all problems—to increase production, raise incomes, and bring about equitable distribution. Planners often assume that people will co-operate simply because it is in their interest to cooperate. If the co-operatives fail, either the people or the co-operative form of organization is blamed.

Several reasons are responsible for the failure of the cooperative sugar mill in utter Pradesh. The main reason is that there is widespread corruption among factory workers. Employees working at sugarcane purchasing centers are the most corrupt. The incidence of under weighing at cane collection centers and also the sugar mill gates were reported by many farmers. They decrease the weight of sugarcane brought for sale by farmers, and this mostly happens to small farmers. The sugarcane purchasing center operator combines the remaining sugarcane with the sugarcane of another farmer and takes its price with himself. Some of the big and domineering farmers cut the useless part of the sugarcane with stalks and roots at the bottom and due to their connivance with the center operator; their sugarcane is also weighed and goes away with good sugarcane. As a result, the factory also has to pay the price of unusable sugarcane. Some farmers also bring sugarcane of poor quality along with sugarcane of good quality and sell it at the price of good quality variety; the result will be less of the mill.

The domineering farmer after bringing his entire sugarcane weighed half the sugarcane out of whatever means like trolley or truck and half of the sugarcane is kept in it and returned.

This would have cost them full weight but they gave sugarcane only half the weight and as a result, the mill is bound to suffer losses.

On the other hand, there are sugar mill employees who have field affiliations like sugarcane development officer, survey staff. These people do not perform their duties properly. The task of the sugarcane development officer is to regularly inspect the crop and provide more information to the farmers about it, such as when to give fertilizer water, how much to give, which variety will give more yield, which less, and which variety Will ripen early or late. Due to a lack of accurate information to farmers, the productivity of the crop is adversely affected. The surveying employee has to survey each type of variety and after surveying the crop of each farmer, he has to tell how much area the new sugarcane has been sown, how much area the old sugarcane has been sown, accordingly the supply of sugarcane is determined. If the old sown sugarcane is not available for sugar mill two-three days after cutting from the field, then the sugar content in it decreases, as a result, sugar will be less and the factory will suffer losses. The survey workers do not do the actual survey and send it on their own or based on the request of the people, consequently, the correct assessment is not to know. Factory plants and machinery have become outdated, their efficiency has decreased, and so sugarcane does not produce as much sugar as it should be produced. Another reason is that the factory workers do not do their work whole-heartedly, are lazy and doodle, and when getting the chance, they also give the factory goods to the bench.

Conclusion

Social scientists have not been very helpful in correcting the perspectives of planners and policymakers. Most studies of cooperatives and their performance tend to be mechanical, judging them by the volume of business without going into the deeper processes (the informal organization of conflicts and alliances) involved in the functioning of these organizations.

The comparative study presented here shows the frailty of much co-operative planning, exhortation, and analysis. It is often assumed that merely organizing a co-operative will create a framework of common interests between larger and smaller farmers. Class interests and regional politics are rarely discussed in co-operative planning and analysis, except when it is necessary to explain why co-operatives have failed.

It is only through comparative organizational analysis that it becomes possible to decide whether cooperatives in a given economic niche are necessary and useful. To determine if cooperatives are likely to succeed in a given context, three basic comparative questions must be answered. The first question is whether a certain type of co-operative can solve vital organizational problems that have not been solved by competing enterprises of other types. If not, the co-ops are less likely to succeed, regardless of how desirable they might seem on ideological grounds, since the members may find that private enterprises provide them with better service. The second question is whether the more powerful members will have any real economic interest in encouraging participation by the less powerful members. If the larger farmers have an economic stake in the participation of the smaller ones, the cooperative is more likely to be run equitably and efficiently. If the interests of the large Farmers run in the opposite .direction, cooperative performance will probably be inequitable, regardless of the administrative controls which are applied. The third question is whether a certain type of co-operative is appropriate for a given agrarian system, including the crops grown, the distribution of caste, class, and political interests, and so forth. Co-operatives that work very well in one region may not fit at-all in others. The cooperative factories that operate through cane societies, give preference to the large and the influential farmers in giving crop cutting orders and the small farmers usually lose on this ground. Such factors affect the small farmers to a great extent as they like to grow one crop of wheat in between the two crops of sugarcane. This forces the small farmers to sell their crops to Khansari / our units at a lower price. The incidence of under weighing at cane collection centers and also the sugar mill gates were reported by many farmers. There is a need to ensure the proper weighing of

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sugarcane. In UP sugar co-operatives are facing many challenges as corruption, red-tapism, and government ignorance attitude.

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