PROBLEMS OF RICE INDUSTRIES IN KOLHAPUR DISTRICT

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Abstract

Agro-based industry is of based on the availability agricultural raw materials. Availability of the raw material would determine the growth of the agro-based industry. They provide employment opportunities to rural people and it may solve the problem of unemployment. It also provides better price for raw material by increasing the demand of it and it ultimately leads to an increase in the total production of agricultural goods. In recent time major agro-based industries are facing financial, infrastructural, production and human resource related problems. In present research researcher attempt to find out the major problems of rice industries and suggest the measures for overcome these problems. For analyzing the problems of rice industries researcher selected 22 rice industries of Kolhapur district and collect the information through schedule. The intensity of problem is calculated by weighted average method.

1. Introduction:

Rice is a main food of population of Kolhapur district. So it widely cultivated in all parts of the district. Rice industry is one of basic agro-based industry of the district. Availability of red soil, heavy rainfall leads to the production of different varieties of rice. *Ajara ghansal* is one of the well known variety of rice. Local production of rice is helpful for the development of rice industries. In recent year the cropping pattern of district slightly changed towards the cash crops, which resulted into reduction in area under the cultivation of rice. Decreased production affects on supply of raw material to rice industry. Along with raw material, infrastructural, financial, market related management and human resource related problems affect on development on growth and development of rice industries.

2. Study Region

Kolhapur district is situated in the extreme southern part of Maharashtra state. It lies between 15°43' and 17°11' North latitude and 73°40' and 74°42' East longitude. The area of the district is 7746 sq. km. and it is 2.5% of the state area. The rivers like the Hiranyakeshi, the Vedaganga, the Dudhganga, the Bhogavati and the Panchaganga drain the area towards the east.

Kolhapur district receives an average rainfall of 1019.5 mm with 65 normal rainy days out of which the district receives normal rainfall of 809 mm during SW Monsoon (June to September) in 54 normal rainy days. Kolhapur district receives rainfall 137.7 mm during NE Monsoon (October to December) in 8 normal rainy days. And in midsummer season (March to May). Kolhapur district has 172400 hectors of Shallow laterite soils, 151500 hectors of deep brownish soils and 102900 hectors of medium deep black soils.
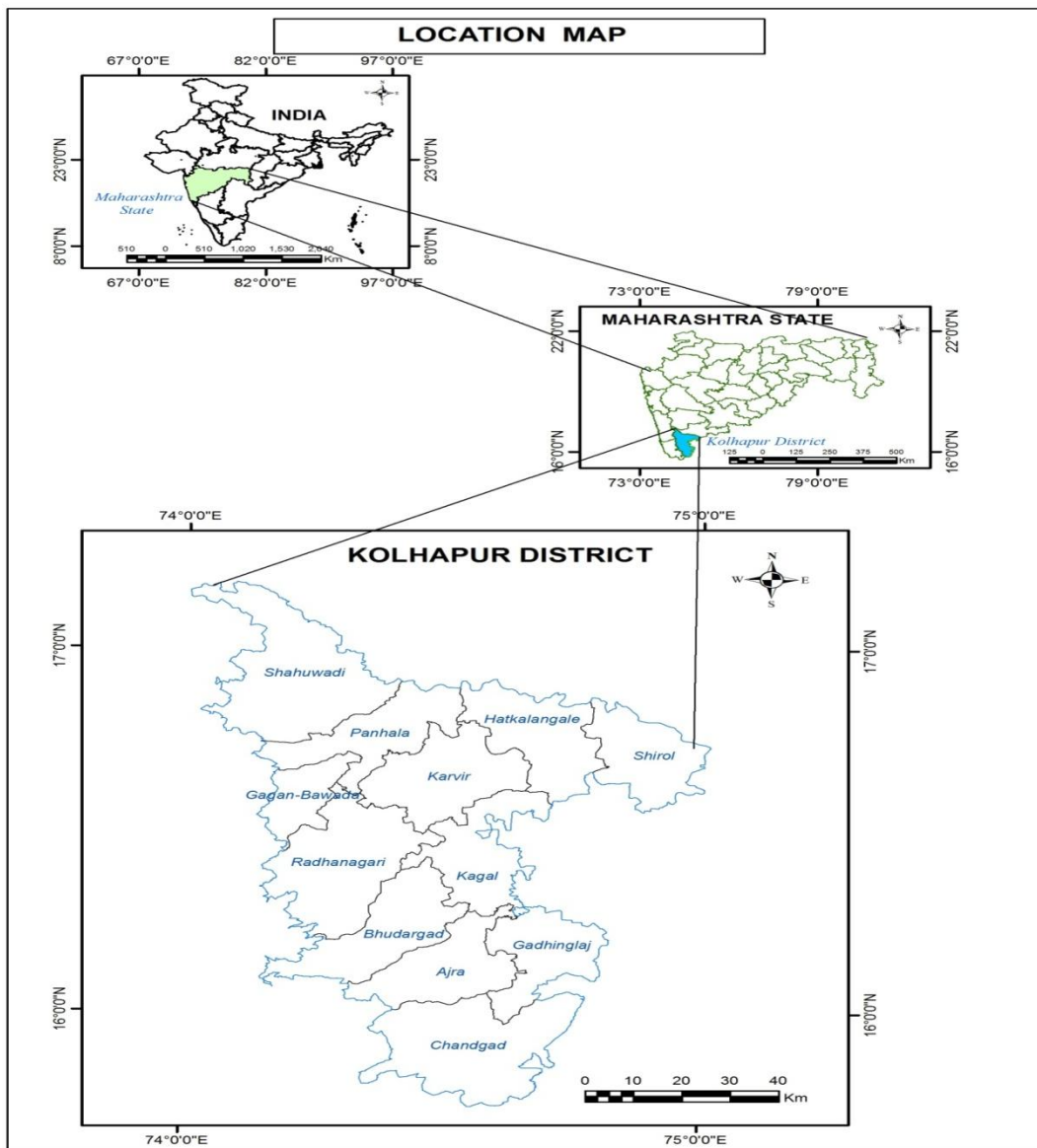

Fig.1

3. Objectives

1) To find out the problems of rice industries.

2) To suggest the measures for overcome the problems of rice industries

4. Data Source and Methodology

For present research, primary and secondary data has been used. Data regarding the problems faced by rice industries has been collected through schedule by visiting rice industries. The collected data has been analyzed by using weighted average score method.

$$\text{Weighted average} = \frac{\text{Sum of weighted terms}}{\text{Number of terms}}$$

In this method a four point scale assigning 4, 3, 2 and 1 point for first, second, third and fourth rank respectively. For each factor of a particular problem has been used.

5. Problems of rice industry

Rice industry is a basic agro-based industry of Kolhapur district. Rice industries are unevenly distributed throughout the district. At present total 77 rice industries are operated in the district. It provides livelihood to local people and also provides more value for production of rice. But in recent times the increasing number of rice industry creates stiff competition for raw material. Some industries are not update their by production method and develop their by product production system. For analyzing the problems faced by industries, 22 industrial units has been choose and collect the information about the different aspects of problems by rank method and calculate its weighted average for individual problem. Table.1 shows the problem wise weighted average of rice industries. It explains the intensity of problems.

1) **Infrastructural problem**

For survive and for long sustain industry needs infrastructural facilities. Most of rice industry set up by local entrepreneurs as their own efforts. They set up their industry in their own land therefore the connectivity of these industries is not proper. Rice industries are facing infrastructural problem like costly transport, less accessibility, inadequate power supply and lack of facility of warehouse. Among the above problems costly transport having highest weighted average score and give first rank to it. Less accessibility and inadequate power supply .Score 1.5 and 1.25 weighted average score respectively.

Table.1
Problems of Rice industries in Kolhapur district (2016-17) (weighted average)
(22 Industries)

Sr No	Type of problem	Particulars	Weighted average	Rank
1	Infrastructural problem	Less accessibility	1.22	4
		Inadequate power supply	3.36	2
		Costly transport	**3.54.**	**1**
		Lack of warehouse	3.35	3
2	Financial problem	Less availability of finance	3.47	3
		High interest rate	3.09	4
		High cost of raw material	3.68	2
		High production cost	**3.86**	**1**
3	Production problem	**Shortage of raw material**	**3.81**	**1**
		under utilization of capacity	3.59	2
		Load shading	2.95	3
		Transport raw material from distance	2.5	4
4	Management problem	**Lengthy administrative process**	**2.77**	**1**
		Large investment in fixed assets	2.54	2
		Decision making problem	1.27	3
5	Human resource	**Lack of skilled labor**	**3.72**	**1**
		High wages	3.50	3
		Labor investment	3.59	2
6	Market problem	Stiff competition	3.54	2
		Unstable value of product	3.50	3
		Lack of market	**3.77**	**1**
		Monopoly of agents	3.27	4
7	Research development policy	**Non availability of research lab**	**1.95**	**1**
		Lack of consultancy facility	1.90	2
8	Other problems	More government control	2.31	2
		Natural calamity	**2.59**	**1**
		Unfavorable govt. policy	2.09	3

Source: compiled by researcher

2) Financial problem

It has been observed that rice industries facing some financial problems. Like less availability of finance, high production cost, high interest rate and high cost of raw material. Among them higher production cost scored 3.5 weighted average score which have first rank among four problems. Because the raw material imported from long distance area and also the machineries are not efficient to low production cost.

In recent days due to low production capacity of machineries and no provision of financial assistance from government units are not running smoothly. Following to high production cost, high cost of raw material scored 2nd rank, it scored 3.25 weighted averages. High interest rate and less availability of finance scored 1.87 and 1.12 respectively. The intensity of these problems is lesser than above said problems.

3) Production problems:

The development of industry depends upon the capacity of production and actual production. But in recent time the production of raw material is slightly reduced and other hand stiff competition increased remarkably. It affects on the production of rice industries. Among the four problems related to production, the shortage raw material weighted highest. It scored 3.75 score. Following to that import raw material from distance places scored 2nd rank. Under utilization of capacity and load shading scored 3.53 and 1.12 weighted average. Units existed in rural area faced the problem of under utilization a capacity because of inadequate supply of raw material and frequent breakdown of electricity.

4) Management problems

Effective management needs to development of any industry. Rice industries faced lengthy administrative process at the time of establishing units and also need the renovation every year. It consumes time of entrepreneurs. Lengthy administrative process have highest weighted average score (2.77). After this the large investment of money in fixed assets like building and warehouse construction. In some units the problem of decision making is observed but its intensity is very insignificant.

5) Human resource:

Rice industry required skilled and unskilled human resource. It is consider as a main asset of enterprise. The profitability and productivity determined by the right number and skilled workforce of the enterprise. Seasonal nature of rice industries affects on the number of workers. Skilled workers are not available easily. Therefore it scored more weighted average (3.72).

To keep these skilled workforces, entrepreneur needs to give high salary. A wages to the workers which may affects on the profit of owner. In some units it is observed that entrepreneurs invested their money in maintaining their workforce by give them salary for twelve months even after industry works for only eight to nine months.

6) Market problem:

In Kolhapur dismiss most of rice industries concentrated in south western part of district. It includes the tahsil like Chandagad, Ajara, Gadhinglaj, Bhudargad and Radhanagari. Due to the hilly, area, units in that area have less connectivity with market and the market centers have away from units. This problem weighted score is (3.77) locally available raw material and government incentives for rice industries help to increase the number of rice units. This creates stiff competition among these units in respect of production and acquire raw material. Unstable value of product in the market and the problem of monopoly of agents scored 3.50 and 3.27 respectively.

7) Research and development:

Out of 22 rice industrial units only one industry has the laboratory for checking and maintaining the quality of product. Lake of research laboratory scored 1.95 and lack of facilities of constancy scored 1.90 most of industries not having consultancy facility in their units place. Small size of enterprise and the dominance of sugar industry not paid more attention on rice cultivation.

8) Other problems:

A part of aforesaid problems rice industries also faced problems like Government control, unfavorable government policy and natural calamity. Natural calamity like flood and drought

affects on the production of rice and it affects on the production. Therefore natural calamity scored (2.59) which more intensive than other two sub problems. Governmental agencies like food safety and pollution control keep more control on these industries. Along with that unfavorable government policy also affects our development of rice industries. Government not support in subsidy for land purchasing, concision in electricity bill and subsidy for purchasing advanced machineries.

Rice industries faced above eight areas of problems. Government needs to pay attention to reduce these problems. Most of trace need give on increasing production of rice; increase the capacity of production by efficient machineries and to enhance the management of rice industries.

5. Measures for minimizing the problems of agro-based industries

1. In Kolhapur district there are 77 rice industries are operated. These industries plays vital role in rural economy of district. Government need give financial assistance for development of rice industries.

2. Rice is a dominant crop of Kolhapur district. Out of total rice industries 15.07% rice industries area concentrated in Ajara tahsil. 'Ajara Ghansal' is a popularized rice variety at national level. Likewise other local varieties need to be popularized.

3. Industries should take more attention on high yield variety of rice, improvement of production capacity and training for farmers.

4. Need to establish the strong communication between the rice producer and rice industry.

5. Government should made available the storehouse for storage of raw material.

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