

# **A Comparative Analysis of Backward Integration Methods Followed by Co-operative and Private Sugar Factories in North Coastal Zone of Andhra Pradesh**

**M Mohana Rao, I V Y Rama Rao, Y Radha and D Ramesh**

Department of Agricultural Economics, Bapatla, A. P.

## **ABSTRACT**

The sugar industry is the second largest agro based processing industry in India. The present study was carried out to compare and contrast the backward integrations methods adopted by sugar factories under private and cooperative sectors. Total of 60 farmers were selected using probability proportionate sampling method and the primary data was collected with using interview schedule. The results revealed that the private sugar factories are purchasing the sugar cane from the contract farmers and whenever they need extra sugarcane they purchase from the non- contract farmers also. The farmer's satisfaction was poor regarding cooperative sugar factories. The study suggested that the cooperative sugar factories should purchase cane from non-shareholders also.

**Keywords:** *Backward integration, Contract farmer, Sugarcane and Sugar factory.*