

CHAPTER - II

Sugar Factories In India & Maharashtra

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SUGAR INDUSTRY IN INDIA

Sugar Industry plays a very important role in the economy of India. This agro-based industry which is mainly located in the rural areas of the Country is an effective instrument for carrying progressive trends into the Country side.

Sugar Industry is the second largest industry in India in terms of its contribution to the net value added by manufacture, capital invested and employment. It has a total capital investment of over Rs. 1250 crores and employ nearly three lakhs workers. Besides it creates indirect employment to the cultivators of sugar cane and to the people engaged in the confectionery industry. It is also a source of excise duty for Central Government.²

Sugarcane and its main products are known in India since ancient times. The earliest reference to sugarcane appears in Athrava Veda. The sacred Book of Hindus Composed between 500 and 1000 B.C. Efforts to establish Sugar Industry on modern lines started right from the beginning of the present century.

2. R. Datt and Sundaran; Indian Economy; P.No.545,546



The history and development of sugar industry in India can be divided into two phases. The first phase is the period before independence and the second is after independence.

The first sugar factory in India was started in the year 1784 in the private sector. Followed by this several sugar factories were started in different parts of the country. Table : II-1 shows the number of sugar factories and production of sugar in the pre-independence period.

T A B L E N O : I I - 1

NUMBER OF SUGAR FACTORIES AND PRODUCTION OF SUGAR
IN THE PRE-INDEPENDENCE PERIOD.

Y e a r	Number of Factories	Production of Sugar in Lakh Tons.
1930 - 31	.. 29	1.2
1935 - 36	.. 135	9.5
1940 - 41	.. 148	11.1
1945 - 46	.. 145	9.6

Source : Co-operative Sugar, May 1983.

Table No. II-1 shows that the number of factories increased from 29 in 1930-31 to 145 in 1945-46 and also the production of sugar in these factories increased from

1.2 lakhs tonnes in 1930-31 to 9.6 lakhs tonnes in 1945-46. Uptil 1940-41 the production of sugar was increasing. But second world war created some problems to the industry and the growth was hampered. The production of sugar was declined to 7.9 lakhs tonnes during the year 1941-42 and this forced the Government of India to introduce sugar control.³

The second phase of this industry starts from the year 1947. After independence, India has been making remarkable progress through the successive five years plans in all fields. Sugar Industry is not an exception also to this. The extension of sugarcane cultivation and setting up of new sugar factories after independence have gratefully contributed to the socio-economic development of the country. The growth of the industry in terms of the number of factories and production is seen from Table No. : II - 2.

3. Ibid.,

T A B L E N O : I I - 2

NUMBER OF SUGAR FACTORIES AND PRODUCTION OF
SUGAR IN DIFFERENT YEARS

Y e a r	Number of Factories	Production of Sugar (in lakh Tonnes)
1950 - 51	.. 138	11.2
1955 - 56	.. 143	18.5
1960 - 61	.. 174	30.5
1965 - 66	.. 200	35.3
1970 - 71	.. 216	37.4
1975 - 76	.. 253	42.6
1980 - 81	.. 314	51.7
1985 - 86	.. 356	62.0
1986 - 87	.. 367	85.01
1987 - 88	.. 357	91.1
1988 - 89	.. 365	87.52

Source : Indian Sugar, New Delhi.

2) Co-operative Sugar, May 1990; p. no. 665.

The industry had been making rapid progress both in terms of the number of the sugar factories and level of production of sugar. The number of sugar factories increased nearly by 3 times in 1986-87 over 1950-51. The production of sugar also increased nearly by 8 times in 1986-87 over 1950-51.

Table No. : II - 3 shows the area under sugarcane and the yield of sugarcane per hectars from 1976-77 to 1986-87 in India.

T A B L E NO. : II - 3

AREA UNDER SUGARCANE AND THE YIELD OF SUGARCANE PER HECTARE FROM 1976-77 AND 1986-87.

Y e a r		Area under Sugarcane '000' hectars	Yield of Sugarcane per hectars
1976 - 77	..	2866	53.4
1977 - 78	..	3151	56.2
1978 - 79	..	3088	49.1
1979 - 80	..	2610	49.1
1980 - 81	..	2667	57.8
1981 - 82	..	3193	55.4
1982 - 83	..	3358	56.4
1983 - 84	..	3110	56.0
1984 - 85	..	2953	57.8
1985 - 86	..	2849	59.9
1986 - 87	..	3055	59.7

Source : Co-operative Sugar New Delhi;

February, 1988

Table No. : II - 3 shows that the area under sugarcane was very high during 1982-83. But it was very low in the year

1979-80. Table No. : II-3 shows that the highest yield per hectars was recorded in the 1985-86 and lowest in the year 1978-79 and 1979-80.

Table No. : II - 4 shows the total production of sugarcane in India from 1976-77 to 1986-87.

T A B L E NO : II - 4

PRODUCTION OF SUGAR CANE FROM 1976-77 TO 1986-87.

Y e a r	Production of Sugarcane in Tonnes
1976 - 77	1,53,007
1977 - 78	1,76,966
1978 - 79	1,51,655
1979 - 80	1,28,833
1981 - 82	1,54,248
1982 - 83	1,86,358
1983 - 84	1,89,358
1984 - 85	1,74,076
1985 - 86	1,70,319
1986 = 87	1,70,648

Source : Co-operative Sugar; New Delhi
March, 1988.

Table No. : II - 4 shows the production of sugarcane was the highest in the year 1982-83 and the lowest in 1979-80. It was mainly due to the low plantation of sugarcane.

Table No. : II - 5 shows the state-wise total number of sugar factories in India from 1981-82 to 1988-89.

T A B L E NO. : II - 5

SUGAR FACTORIES IN INDIA : STATE- WISE

State	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89
1. Andhra Pradesh	28	28	31	30	31	31	31	30
2. Assam	2	2	1	2	1	2	2	2
3. Bihar	28	28	28	24	23	26	27	27
4. Goa	1	1	1	1	1	1	1	1
5. Gujarat	14	15	12	12	13	12	11	11
6. Hariyana	5	5	5	8	8	8	8	8
7. Karnataka	23	23	24	24	22	24	25	26
8. Kerala	3	3	2	2	2	2	2	2
9. Madhya Pradesh	7	7	8	8	8	8	8	8
10. Maharashtra	78	78	78	78	88	91	90	95
11. Nagaland	1	1	1	1	1	1	1	1
12. Orrisa	3	3	3	3	3	3	3	5
13. Punjab	8	8	8	8	8	9	13	13
14. Pendecharj	1	1	2	2	2	2	2	2
15. Rajasthan	3	3	3	3	3	3	2	3
16. Tamilnadu	21	21	23	23	24	25	25	27
17. Uttar Pradesh	92	91	93	93	100	103	104	103
18. West Bengal	2	2	2	2	1	2	2	1
Total :	320	320	325	338	341	355	357	365

Source : Co-operative Sugar; New Delhi.
January 1988.

Table No. II - 5 shows that the industries flourished between the period 1981 to 1987. Uttar Pradesh stands first and Maharashtra second in the growth of the Industry in terms of the number of factories.

SUGAR INDUSTRY IN MAHARASHTRA STATE :

Sugar industries flourished in the State of Maharashtra. The unique geography of the state, the availability of capital and enterprise and the extensive cultivation of sugarcane contributed a lot to the speedy development of the industry in the State of Maharashtra. The total number of Sugar Factories in the state in various years from 1976 is shown in Table No. II - 6.

T A B L E NO. : II - 6

THE TOTAL NUMBER OF SUGAR FACTORIES IN MAHARASHTRA
FROM 1976 TO 1989

<u>Y e a r</u>	<u>Total number of Sugar Factories</u>		
1976	61
1977	66
1978	69
1979	70
1980	77
1981	78
1982	78
1983	87
1984	87
1985	88
1986	91
1987	90
1988	95
1989	95

Source : Co-operative Sugar, New Delhi January, 1988.

TABLE NO. - II-7

NUMBER OF SUGAR FACTORIES IN MAHARASHTRA
(District-wise)

(Total Sugarcane crushed & Total Sugar Production & also recovery)

Sr. No.	Name of the District	Nos.	Sugarcane Crushed		Total Sugar Production		Recovery of Sugar	
			1989-90	1988-89	1989-90	1988-89	89-90	88-89
1	Kolhapur	11	1150453	1032384	1237530	1137770	10.76	11.02
2	Sangli	7	695488	590859	744620	642155	10.71	10.87
3	Satara	6	646915	536865	698635	590490	10.80	11.00
4	Pune	6	734398	636899	750950	649032	10.23	10.19
5	Solapur	6	799547	575270	796480	571815	9.96	9.94
6	Nasik	6	472890	385179	490210	388785	10.37	10.09
7	Ahmadnagar	13	1310417	1026244	1323365	1028059	10.10	10.02
8	Dhule	4	432516	381094	404215	367100	9.35	9.63
9	Jalgaon	3	256975	222270	225500	191955	8.78	8.64
10.	Aurangabad	5	312165	142236	275000	126554	8.81	8.90
11	Jalana	2	122910	100340	110320	88940	8.98	8.86
12	Beed	4	208475	133990	194730	126905	9.34	9.47
13	Usmanabad	2	217980	143910	206415	135625	9.47	9.42
14	Latur	3	136785	100801	136665	94055	9.99	9.33
15	Nanded	3	181459	83382	175030	72905	9.65	8.74
16	Parbhani	3	---	---	---	---	--	--
17	Buldhana	1	31184	20585	27115	15400	8.82	9.13
18	Yavatmal	1	85683	54766	95155	57975	9.73	10.15
19	Amarawati	1	33700	15325	26425	10025	8.50	8.01
20	Nagpur	1	---	---	---	---	--	--
21	Wardha	1	48366	18025	42955	13850	9.14	7.71
22	Bhandara	1	20145	15365	14215	12535	8.31	8.40
23	Akola	1	63137	37833	56500	32000	9.12	8.80
Total Co-op. Sugar Factories		* 91	8092148	6390770	8158545	6499615	10.08	10.17

* There are 4 Sugar Factories in Private Sector. So the total Sugar Factories is 95.

SOURCE : Godwa; January, 1989.

Table No. : II-6 shows that during the period of 10 years the number of sugar factories in the state is increased from 61 to 91. The growth is tremendous, no doubt.

The state witnessed a rapid growth in the number of Sugar Co-operative units. The Co-operative Sugar Industry in Maharashtra is the largest one in India. The first co-operative sugar unit was started in year 1981-82 in Ahmednagar district. Followed by the several smaller units were started in different districts. District-wise sugar co-operative units in Maharashtra are show in Table No. : II - 7.

Table No. II - 7 throws light to the fact that Ahamadnagar stands first in the number of Sugar Factories and Sugar production. It is followed by Kolhapur District. The total Sugar cane crushed and total Sugar production increased in the year 1989-90. Over 1988-89 (36% and 26% respectively).

SUGAR CO-OPERATIVE IN MAHARASHTRA

The Sugar co-operative have been the most domanating processing co-operative in Maharashtra. The Co-operative Sugar Industries in Maharashtra had ranked first in India in 1981-82. In Maharashtra, there are 19 sick Sugar Factories in January 1986 in recent years, there are 91 (1988-89) Sugar Factories taking production and co-operative sugar factories amounted to 95 and private 4 (four) sugar factories and 4 Arksnallas.

Out of India 35 per cent sugar production in Maharashtra State.

First co-operative sugar factory was established in Maharashtra in Ahamadnagar District known as Pravara Co-operative Sugar Factory have been established in India. Now sugar factories have become a dominant aspect of agro-industrial picture in Maharashtra State.

The sugar factories have become the centres of Socio - Economic life of the rural people. The sugar factories also changed the environment when even it has establish schools and colleges, hospitals, gardens etc. In Maharashtra State must be attributed to a number of favourable facts such as an Agro climatic condition, land suitable to cultivation of sugar cane fertilizers, soil and irrigation.

The Management of co-operative factories are supporting for party politics. Because the party of power is interested to have a hold on Board of Directors.