

**GROWTH OF SUGAR INDUSTRY**

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C H A P T E R II

GROWTH OF SUGAR INDUSTRY

II.1 : The Sugar manufacturing industry is one of the major organized enterprises in India. Sugar stands second largest industry in India. The first being textile industry. There are <sup>412</sup> 340 sugar factories in India. The first private sugar <sup>factory</sup> industry in India was started by a Civilian, Croftes, at Socksugar in 1788. Then L.T.Patterson had opened a factory in Bihar. Looking these two trials, Mr.Edward Campbell attempted to run another sugar factory at Trichanapally in the then State of Madras, but their attempts were in vain. However, at the same time Robert Campbell had established a sugar factory in the same area. According to his opinion that the success of sugar factory depends on availability of raw material (Sugar-cane). Hence he attached some land to factory for production of sugarcane. Secondly he made special efforts for attracting sugarcane growers who were manufacturing gur from the Sugar-cane.

*The candidate has not followed the distinction between primary industry*

His experiment set an example of association of sugarcane and sugar production under one management. As a result of this requirement, i.e. production of sugarcane and sugar together, there was hardly any sugar industry in the country, worth the name in the

period prior to 1932 when sizeable protective duty was imposed on all imported sugar. In this way the British Govt. granted the protection in 1932, for sugar industry. And this new protection policy provided a great impetus for the development of sugar industry.

The sugar production recorded to 162,000 tonnes in 1931-32 in the private sector. Most of the factories sprang, up mainly in U.P. and Bihar. Most of the industrial units in the Sugar industry sprang up under the shelter of protective tariffs and without much regard for their competitive efficiency or economical working.

During the initial stage of the evolution of sugar industry, there was small sized unit. Because of non-availability of sugarcane in required quantities within a reasonable economic distance and lack of adequate transport facilities.

## II.2 Beginning of the Co-operative Sugar factories:

Production of Sugar through Co-operative processing of Sugarcane was first attempted in India 1933. There were four Co-operative Sugar factories in 1933. One in U.P. (Biswan) and the remaining three at Thummapala, Etikoppaka and Uyyyura in (A.P.). The last mentioned factory has a crushing capacity of 800 tonnes while that of the other three factories ranged between 30 to 150 tonnes capacity.

After Independence, Govt. of India started to pay attention to agricultural development. Since second five year plan the efforts in larger and larger scales were made to expand irrigation facilities. These irrigation facilities and modernised methods of growing crops helped to expand the land under sugarcane.

Sugar-cane come to be grown on massive scale for meeting the demands of growing number of sugar factories. Now India is the 5th Major sugar producing country in the world and the second biggest industry in India. The total number of sugar factories during the planning period has increased.

In 1950-51 i.e. at the beginning of first five year plan the total number of sugar factories was 139, out of which only two were sugar Co-operatives. This situation has gradually been changed and the number of sugar Co-operatives increased upto 84 in 1973-74 and it increased up to 225 in 1981.

II.3        The following statistical data shows the number of working sugar factories in India from 1950-51 to 1973-74.

**TABLE 2.1**

**NUMBER OF WORKING CO-OPERATIVE SUGAR FACTORIES.**

State	1950-51	1960-61	1956-66	1969-70	1970-71	1971-72	1972-73	1973-74
<b>Tropical Region</b>								
Andhra Pradesh	( 8)	2 ( 11)	8 ( 19)	8 ( 18)	8 ( 18)	8 ( 18)	8 ( 19)	7 ( 17)
Goa	-	2 ( 2)	3 ( 3)	5 ( 5)	7 ( 7)	7 ( 7)	-	1 ( 1)
Gujrat	- ( 4)	3 ( 8)	4 ( 9)	5 ( 10)	6 ( 11)	7 ( 13)	8 ( 8)	8 ( 8)
Karnataka	-	1 ( 1)	2 ( 3)	2 ( 3)	2 ( 3)	2 ( 3)	7 ( 13)	6 ( 6)
Kerala	1 ( 12)	27 ( 27)	20 ( 32)	30 ( 41)	30 ( 41)	32 ( 42)	2 ( 2)	2 ( 2)
Maharashtra	-	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	37 ( 47)	35 ( 45)
Pondicherry	-	3 ( 3)	5 ( 14)	6 ( 16)	6 ( 15)	7 ( 16)	1 ( 1)	1 ( 1)
Tamil Nadu	- ( 4)	8 ( 8)	5 ( 14)	6 ( 16)	6 ( 15)	7 ( 16)	7 ( 16)	7 ( 16)
<b>Total (A)</b>	<b>2 ( 30)</b>	<b>24 ( 58)</b>	<b>42 ( 81)</b>	<b>56 ( 95)</b>	<b>59 ( 95)</b>	<b>63 ( 100)</b>	<b>66 ( 105)</b>	<b>66 ( 105)</b>
<b>Sub Tropical Region</b>								
Assam	-	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)
Bihar	- ( 29)	28 ( 28)	29 ( 29)	1 ( 28)	1 ( 27)	1 ( 25)	1 ( 25)	2 ( 26)
Harayana	-	3 ( 3)	3 ( 3)	2 ( 3)	2 ( 3)	2 ( 3)	2 ( 3)	2 ( 3)
Madhya Pradesh	-	5 ( 5)	5 ( 5)	5 ( 5)	5 ( 5)	6 ( 6)	6 ( 6)	6 ( 6)
Nagaland	-	-	-	-	-	-	-	-
Orissa	- ( 1)	1 ( 1)	1 ( 2)	1 ( 2)	1 ( 2)	2 ( 2)	2 ( 2)	2 ( 3)
Punjab	-	2 ( 2)	3 ( 5)	4 ( 6)	4 ( 6)	4 ( 6)	4 ( 6)	4 ( 6)
Rajasthan	-	2 ( 2)	2 ( 2)	1 ( 3)	1 ( 3)	1 ( 3)	1 ( 3)	1 ( 3)
Uttar Pradesh	- ( 68)	72 ( 72)	4 ( 71)	4 ( 71)	4 ( 71)	5 ( 73)	5 ( 73)	5 ( 74)
West Bengal	- ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)	1 ( 1)
<b>Total (B)</b>	<b>-(109)</b>	<b>6 ( 116)</b>	<b>11 ( 105)</b>	<b>14 ( 120)</b>	<b>14 ( 119)</b>	<b>16 ( 120)</b>	<b>16 ( 120)</b>	<b>18 ( 114)</b>
<b>Grand Total (A+B)</b>	<b>2 ( 139)</b>	<b>30 ( 174)</b>	<b>53 ( 200)</b>	<b>70 ( 215)</b>	<b>73 ( 215)</b>	<b>79 ( 220)</b>	<b>85 ( 228)</b>	<b>84 ( 229)</b>

**NOTE:-** The figures within brackets indicate the total number of sugar factories.

*Handwritten note:*  
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Now India is the fifth major Sugar producing country in the world. The Govt. had introduced partial decontrol of sugar in 1967-68. The industry presently employs about 2,50,000 workers and about 25 million agriculturist and connected with it. The annual wage bill works out to about Rs.950 million. The total of amount Rs.7,500/- million is invested in sugar factory.

The following Table No.2.2 describes the production and consumption of sugar in India.

TABLE No.2.2

Production and Consumption of Sugar in India.

Year	Production of sugar (Lakhs, Tonnes)	Consumption of sugar (Lakhs Tonnes)	Increases(+ ) or Decreases(- ) of consumption over production
1961-62	27-29	25-28	( - )
1965-66	35-41	28-10	( - )
1970-71	37-40	40-25	( + )
1975-76	42-62	37-38	( - )
1981-82	84-00	53-17	( - )

This is evident that India has been the surplus country except 1970-71. There is a lot of export potential.

In 1961-62 and 1965-66 consumption decreased over production, but it again increased in 1970-71. Sugar production was 37-40 (lakhs) and consumption was 40.25 in 1975-76.

GROWTH OF SUGAR INDUSTRY IN MAHARASHTRA STATE :

The State of Maharashtra has 77 units, 67 in the co-operative Sector and 10, in private sector. The growth of Sugar industry in the state may be examined in two phases. The first phases started in 1930, when few privately owned sugar factories were established. Until 1932, when protective duties made refined sugar much more expensive, imports had supplied. The market for refined sugar and almost all home produced sugarcane was processed in to gur by the local farmers. The number of factories increased to 8 in 1934-35. Primarily due to the great of protective to this industry, the numbers increased subsequently to 13 in 1950-51.

The second phase began with the introduction of the co-operative sugar factories. The first successful attempt was made to establish sugar factory on 31st December, 1950 under the able guidance of the late Dr.D.R. Gadgil, the economist and Shri Vikhe-patil a social worker and agriculturist in A.Nagar District. It was a poineering attempt to organise sugar factory in the Co-operative sector at Loni (Pravara Nagar) and the idea of Co-operative Sugar factory after Independence became a reality.

This successful attempt encouraged several cane growers to come together and establish sugar factories in the State. Cane production has increased considerably since the construction of 28 co-operative sugar factories from 1950 onwards. Between 1950-51 to 1980-81 the numbers of sugar factories raise from one to 77 units with consequent increase in cane area from 0-01 lakh to 2.56 lakh hectares.

Sugar production also increased from 0-04 lakh to 26-35 lakhs tonnes. Today, Co-operative sugar factories of the state account for 31-9% of the total sugar production in the country. Maharashtra State contributed 3-06 lakh tonnes to National production. The share of Co-operative sugar factories in the total production was 86% . There are about 90 licences for the units. Out of which 77 are in the working stage and 9 are likely to come up by the end of 1984.

These Co-operative sugar factories in the State have become symbol of village uplift and has fostered a new awareness among the masses.

The following table No.2.3 shows the area under cane, cane-crushed, number of sugar factories, sugar produced and sugar recovery percentage (1970-71 - 1980-81).

MAHARASHTRA STATE TABLE NO.2.3

Year	Area under sugar cane 000 Hector	Yield per hector M.T.	Cane crushed 000 M.T.	No.of sugar factories	Sugar produ- ced Bags <del>in</del> -lakhs	Recovery %
1970-71	217	68	9,479	41	1070	11.28
1972-73	146	82	10,056	47	1074	10.68
1974-75	217	93	13,566	55	1515	11.17
1980-81	256	89	18,878	77	2085	11.04

Source: Office of the District Deputy Registrar for Cooperation, Kolhapur.

- NOTES:-
- 1) ~~Rs~~ in lakh
  - 2) Membership in hundres.
  - 3) Quantity thousand tonnes.
  - 4) T.C.D.Tonnes crushing per day.
  - 5) N.A.Not available.

SOURCE :-1) Shhakari Vishwa May 1978, 82

QAND

The Maharashtra Co-operative quarterly  
1977-1981-82.

- 2) Prof. Dr.R.Gadgil's view on Co-operative industries by Principal M.R.Ramadas.

Co-operative processing units registered in  
Western Maharashtra.

The six districts together will have in all  
130 processing units.

The following table No.2.5 explains the regional distribution of the sugar factories in Maharashtra Ahamad-nagar with 21(16.2%), Satara with 19(14.6%), Sholapur with 18(13.9%), Sangli with 14(10.8%) and Pune with (6.7%) units. It is clear that the Kolhapur district is much ahead in undertaking processing activity in the Co-operative Sector.

TABLE 2.5

CO-operative processing units registered in Western Maharashtra as in November 1980

Particulars	NAME OF THE DISTRICT							Total
	Ahmednagar	Pune	Satara	Sangli	Solepur	Kolhapur	Total	
1) Sugar Factories	12	5	7	3	8	12	47	
2) Khandsari Units	-	-	-	2	-	6	8	
3) Spinning Mills	2	1	2	7	7	22	41	
4) Ginning Factories	4	-	6	-	1	-	11	
5) Rice Mills	1	1	1	-	-	6	9	
6) Oil Mills	1	1	1	1	-	1	5	
7) Other processing units	1	-	2	1	2	3	9	
TOTAL	21	8	19	14	18	50	130	

SOURCE:-- Office of the Assistant Registrar of Co-operative Kolhapur.

*Is it done*  
*for records of the*  
*office?*