

*" What a wonderful surprise to understand something that  
you had learnt only by memory. "*

- Juan Zorilla de San Martin  
El Sermon de la paz -

## **CHAPTER IV**

**SUGAR INDUSTRY IN MAHARASHTRA.**

## SUGAR INDUSTRY IN MAHARASHTRA

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The first sugar factory in Maharashtra was established in 1919 in the private sector, which was started by British Company at Haregaon in Ahmednagar district.

The first cooperative sugar factory in Maharashtra was established in 1948 in Ahmednagar district at Pravara Nagar by the leadership of Shri V.E. Vikhe Patil and Dr. D.R. Gadgil.

The numbers of sugar factories increased from 69 in 1978-79 to 96 in 1989-90, an increase of 66 %. A very striking feature of the growth of sugar factories in Maharashtra has been the overwhelmingly predominant position enjoyed by the cooperative sector. The share of the cooperative sector increased from 86% in 1978-79 to 96 % in 1989-90.

TABLE 4.1

### SUGAR FACTORIES IN MAHARASHTRA

Years 1	Total 2	Co-op. Sector 3	(3) As % of (2) 4
1978-79	69	59	85.50
1979-80	70	60	85.71
1980-81	77	67	87.01
1981-82	78	67	85.89
1982-83	78	67	85.89
1983-84	78	67	85.89
1984-85	87	77	88.50
1985-86	88	80	90.91
1986-87	91	84	92.31
1987-88	90	85	94.44
1988-89	95	90	94.74
1989-90	96	92	95.83

With the growth in number of factories over the time period, it must be accepted that the area under sugarcane cultivation

would also be increased. This is indicated in the Table 4.2. The total area under sugarcane cultivation increased from 2,44,000 hectare in 1978-79 to 3,83,000 hectare in 1989-90 - an increase of 57 % over the period.

**TABLE 4.2**  
**TOTAL AREA UNDER CANESUGAR IN MAHARASHTRA**  
**(1978-79 to 1989-90)**

( '000' Hectares )

Years												
Area	78-79	79-80	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Hectares	244	222	256	297	326	294	292	265	280	292	314	383

Source : Table 3.02.

The total production of sugarcane in Maharashtra in 1978-79 was 2,24,82,000 tonnes, and increased with fluctuation from year to year to 3,40,08,000 tonnes in 1989-90 [Table 4.3].

**TABLE 4.3**  
**TOTAL CANESUGAR PRODUCTION IN MAHARASHTRA**  
**(1978-79 to 1989-90)**

( '000' Hectares )

Years												
Prod.	78-79	79-80	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Tonnes	22482	19819	23591	28780	31360	26549	28367	23706	24091	24984	25500	34008

Source : Table 3.04.

This is a fairly moderate increase in the total production - 51 % over the period. However, the lowest production of sugarcane in Maharashtra, during the period under study was, 1,98,19,000 tonnes in 1979-80.

An important ingredient in the production of sugarcane is

the productivity of the land or the yield per hectare. This is shown in Table 4.4.

**TABLE 4.4**  
**YIELD OF SUGARCANE IN MAHARASHTRA**  
**(1978-79 to 1989-90)**

Years	78-79	79-80	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Yield	92.1	89.3	92.3	96.9	96.3	90.3	90.1	89.4	86.1	85.6	81.1	88.8
Tonnes/ Hectare												

Source : Table 3.06,

The yield of sugarcane per hectare was quite high in Maharashtra in 1978-79 i.e. 92.1 tonnes per hectare. The yield began increasing and reduced to 97 tonnes per hectare in 1981-82; but since then started to decline continuously till 1988-89, when it was 81.1 tonnes per hectare. In 1989-90, the yield had increased to 88.8 tonnes per hectare.

In most of the sugarcane growing states/areas in India as well as in Maharashtra, the sugarcane is used for various purposes. The important uses to which sugarcane is put are the production of sugar, Gur and Khandsari, for seeding, chewing and stock feeding. Of the total sugarcane produced in Maharashtra, between 66.3 % and 90.2 % is used for producing sugar [Table 4.5], around 12 % is used for seeding, chewing and stock feeding and rest for the production of Gur and Khandsari.

**TABLE 4.5**  
**PERCENTAGE OF CANE USED FOR MANUFACTURE OF SUGAR IN MAHARASHTRA**

Years	78-79	79-80	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Amount	65.5	66.3	60.0	N.A.	88.1	67.4	79.0	89.9	90.2	N.A.	N.A.	N.A.
Percent Hectare												

Source : Table 3.09, NA = Data not available.

Thus a very large proportion of sugarcane has been utilised for the production of sugar. The amount of sugarcane crushed by the sugar factories in Maharashtra range between the minimum of 1,31,50,000 tonnes in 1979-80 and a maximum of 3,66,21,000 tonnes in 1989-90 [Table 4.6].

**TABLE 4.6**  
**CANE CRUSHED BY SUGAR FACTORIES IN MAHARASHTRA**  
**(1978-79 TO 1989-90)**

('000' tonnes)

Years	78-79	79-80	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Cane Crushed												
Total	19236	13150	18883	28292	27625	17904	20854	21319	21752	25828	23803	36621
Coop. Sector	16697	11827	16951	25088	24567	16170	19084	19671	20631	24810	23040	35506
Share of Coop Sec in total (percent)	86.80	89.93	89.76	88.67	88.93	90.31	91.41	92.26	94.84	96.05	96.79	96.95

Source : Cooperative Sugar, Vol. 20, No.5, Jan, 1989 Page: 357.  
Cooperative Sugar, Vol. 23, No.1, Sep, 1991 Page: 55.

Since there is a predominance of the cooperative sector in the sugar industry in Maharashtra it is natural to accept most of the sugarcane to be crushed in the cooperative sector. The share of the cooperative sector in crushing sugarcane in Maharashtra is varied from a minimum of 86.8 % in 1978-79 to maximum of 97 % in 1989-90.

The total sugar production in Maharashtra varied between a minimum of 1,3,94,000 tonnes in 1979-80 and a maximum of 39,23,000 tonnes in 1989-90 [Table 4.7]. The share of the cooperative sector in the total production of sugar each year in Maharashtra range

from 87 % to 97 %.

**TABLE 4.7**  
**SUGAR PRODUCTION IN MAHARASHTRA**  
**(1978-79 to 1989-90)**

('000' tonnes)

Years:	78-79	79-80	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Prod.												
Total	2105	1394	2085	3026	3025	1993	2311	2389	2388	2795	2679	3923
Coop. Sector	1831	1260	1877	2687	2626	1803	2121	2210	2270	2691	2550	3808
Share of Coop Sec in total (percent)	86.98	90.38	90.02	88.79	86.90	91.46	91.77	92.50	95.05	96.27	96.99	97.05

Source : Table 3.17.

The districtwise distribution of sugar production in Maharashtra is indicated in Table 4.8 for the year 1986-87. It is revealed from the table that, the highest production of sugar in Maharashtra in 1986-87 was in middle, south, and north-east Maharashtra.

It means that Ahmednagar, South Satara, Sangli, Kolhapur, Pune, Nasik and Solapur district had very high sugar production. The average recovery of sugar was 11 % in the year 1986-87. The maximum recovery is found in Bhogawati Sugar Factory in Kolhapur district [12.25%], Hutatma Kisan Ahir Factory of Walva [12.18%] in Sangli and Sangamner Sugar Factory in Ahmednagar [12.66%]. The highest cane crushing in sugar factory is in Shetkari Sahakari Sakhar Karkhana, Sangli [9,49,048 M.T.], Panchganga Sugar Factory And Krishna Sugar Factory at Rethare [Bk] [9,36,581 M.T.]. Highest sugar production is in Krishna Sugar Factory, Panchaganga Sugar Factory and Shetkari Sahakri Sakhar Karkhana, Sangli.

TABLE 4.8

District-wise Sugar Production in Maharashtra in 1986-87.

District	No. of Sugar Factories	Cane Crushed ( M.T. )	Sugar Production (Tonnes)	Recovery ( Percent )
Kolhapur	11	4,45,000	51,32,259	11.53
Sangli	07	20,69,435	23,24,937	11.23
Satara (D)	03	15,52,541	18,43,514	11.89
Satara	03	7,78,698	8,82,009	11.33
Solapur	06	18,76,005	17,10,419	10.21
Pune	06	15,96,270	17,33,867	10.86
Nasik	06	13,15,310	14,75,816	11.22
Ahmednagar	13	35,32,762	39,43,637	10.95
Dhule	04	9,01,418	9,62,020	10.67
Jalgaon	03	5,32,874	5,41,637	10.16
Aurangabad	05	4,56,596	5,47,715	10.02
Jalna	02	1,06,453	1,05,865	9.94
Beed	04	5,21,261	5,19,441	9.97
Osmanabad	02	23,887	2,20,740	9.86
Latur	03	1,89,314	1,71,014	9.03
Nanded	02	1,75,588	1,62,790	9.27
Parbhani	03	2,84,345	2,82,625	9.94
Buildhana	01	Nil	Nil	Nil
Yeotmal	01	52,900	48,310	9.18
Amravati	01	2,12,184	2,14,250	10.59
Nagpur	01	500	155	3.10
Cooperative	87	2,06,30,057	2,27,41,774	11.02
Private	7	11,20,118	11,78,746	10.52
Total Sugar Factories	94	2,17,50,175	2,39,20,520	11.00

Source : Godava , June 1988-89.

The Cooperative sugar industry has made strides since independence. The number of units are not only increasing but they are occupying pivotal position in producing India's requirement of sugar. The cooperative sugar factories are accounting for more than 60 % of the national sugar output. In turn the rapid expansion has given rise to several problems of organisation and management and also problems regarding distribution of benefits to all engaged in this industry. It is beyond doubt that the production level of sugarcane and recovery of sugar are higher in Maharashtra, they have engaged the establishment of the sugar cooperative in greater numbers.

Maharashtra provides an unique example of sugar cooperatives being the nucleus of rural transformation and economic change. Cooperative sugar factories, promoted and developed by local leaders having a firm commitment to area development, have succeeded in building up commendable socio-economic infrastructure for upliftment and economic emancipation of small farmers. This is done not only through distributing widely the advantages of economic gains following from the establishment of the sugar factory, but also by providing a local organisation with sufficient resources, adequate and appropriate organising capacity and direct interest by its very nature in the transformation of the rural area.

In recent times it has been found that cooperative sugar factories have become a significant feature in rural economy conferring the benefits of economics of scale to larger number of small producer members. Besides this, through its backward and forward leakages it is becoming a growth centre for the development of regions around it.

It is against this background that an attempt has been made to study the role of the selected sugar cooperatives in Southern Maharashtra.