

CHAPTER : III

A REVIEW OF SUGAR INDUSTRY IN INDIA

3:1 SUGAR INDUSTRY IN INDIA

3:2 SUGAR INDUSTRY IN MAHARASHTRA

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CHAPTER - IIIREVIEW OF SUGAR INDUSTRY**3.1 SUGAR INDUSTRY IN INDIA :**

In India originally sugar industry was located mainly in Uttar Pradesh and Bihar. Though because of availability of infrastructural, natural and ancilliary factories, sugar industry originally developed Southern India. In Uttar Pradesh at Mairwa First sugar industry in India was started at 1903 and granted protection by the British Government in 1932.

The sugar industry is the second largest among the processing industries in India next to textile. Around 356 factories with combined investment of Rs. 1,350/- crores operate in India and produce annually an output worth of Rs. 3000/- crores. The industry's contribution to the exchequer of the central and the State Government is in excess of Rs. 400/- crores by way of excise and other levies. The sugar industry has also made significant contributions to the foreign exchange earnings of the country. This industry provides direct employment to about 30 million 3.50 lakhs of workers besides providing direct sustenance to about 30 million cane growers all over the country. The industry is also a major source of carbohydrates for the masses.

The wonderful plant of sugarcane is main source of sugar that is known to India since ancient time. It was

carried from India (Perisa), Arabia and Palestine. It also probably Via Assam was carried to China. The Chinese took it to Formosa Phillipines and Java which are now important centres of sugar production, of aggregate area under cropped in the world, the sugarcane constitute an insignificant portion, hardly below \approx 1.5%.

3.1.1 PRODUCTION OF SUGAR AND EXPORT OF SUGAR IN
VARIOUS COUNTRIES OF THE WORLD.

India, among all the sugar producing countries, was one of the largest producers of the sugarcane in the world, It is clear that the studying following table:



TABLE 3: 1

PRODUCTION-WISE RANK OF SUGAR PRODUCTION AND
EXPORT IN VARIOUS COUNTRIES DURING 1983

Name of Country.	Production of Sugar in Mt. : tones.	Export of Sugar in Mt.tonne. :	Ranks
India	91,26,270	5,04,050	1
Brazil	89,40,554	27,88,245	2
Cuba	80,39,479	76,41,170	3
America	54,17,643	-	4
Australia	36,52,204	25,03,844	5
Thailand	30,16,667	20,44,815	6
Mexico	27,39,109	-	7
Phillipines	27,09,306	13,01,098	8
China	17,00,000	-	9
Pakistan	10,00,000	-	10

Source : "Godwa " July, 1985

From the above table, it is clear that the production of sugar in India in the Year 1983 ranked at the top as compared to the scale of production of sugar of other countries in the world.

However India's export of sugar in the world was lowest to the size of 5,04,050 metric tonnes during, 1983.

3.1.2 INCREASE IN NUMBER OF SUGAR FACTORIES AND SCALE
OF SUGAR PRODUCTION BEFORE & AFTER INDEPENDENCE

Sugarcane is a major cash crop grown in India and hence it is, thus, seen that the British Government had laid down the foundation stone of this industry and the peoples. Government has constructed huge edifices over it. Since the sugar industry is the major investment of socio economic change, the growth of this industry is welcomed. It is clear by analysing the following table :

TABLE - 2

TABLE SHOWING NUMBER OF SUGAR FACTORIES AND
SCALE OF SUGAR PRODUCTION IN METRIC TONNES

Y e a r	No.of factories	Sugar Production
:	:	(In lakhs of M.Tonnes)
:	:	:
1930-31	29	1.2
1935-36	135	9.3
1940-41	148	11.1
1945-46	145	9.6
1950-51	138	11.2
1955-56	143	18.3
1960-61	174	30.3
1965-66	200	35.3
1970-71	216	37.40
1975-76	253	42.62
1980-81	314	51.70
1984-85	338	61.43
1985-86	341	
1986-87	355	

From the above table, it is clear that the total number of sugar factories was 29 in 1930-31. These factories

produced sugar to the extent of 1.2 lakhs of Metric Tonnes. After that the number of factories and production of sugar had, gradually been increased. On the even of independence of the country there were 145 factories which produced the sugar to the size of 9.6 lakhs. Metric tonnes.

During the pre-independence era, the growth of sugar industry was slow. However, after the independence, especially after the first five year plan, there had been spectacular expansion of this industry. By the end of seventy, the total number of sugar factories and the scale of sugar production reached to 299 and 38.58 lakhs of Metric tonnes respectively.

During the eighty, the industry has experienced fast growth. By the mid-eighties i.e. 1984-85. The total number of factories was growth to 338 and sugar production to 61.43 lakhs of metric tonnes.

3.1.3

TABLE 3: 3PRODUCTION, IMPORT, EXPORT, AVAILABILITY ANDHOME CONSUMPTION IN INDIA (1970-71 to 1984-85)

(Figures are in lakhs of ton)

Y e a r	Total : availability : of sugar.	Internal : consumption : of sugar	Import : of sugar	Export : of sugar
1970-71	58.24	40.27	-	3.90
1971-72	45.15	37.90	-	1.33
1972-73	44.64	35.13	-	1.10
1973-74	47.89	35.22	-	4.39
1974-75	56.23	35.14	-	9.02
1975-76	54.69	36.87	-	9.50
1976-77	56.72	37.56	-	3.41
1977-78	80.32	44.90	-	2.53
1978-79	91.31	62.09	-	8.36
1979-80	61.07	52.32	1.63	2.30
1980-81	59.68	49.70	1.53	0.83
1981-82	94.28	57.43	0.77	4.15
1982-83	115.00	64.88	-	4.25
1983-84	105.98	75.66	0.94	6.59
1984-85	96.13	80.64	10.97	-

From the observation of the above table, it is clear that the total scale of availability of sugar has

been increased from 58.24 lakhs in 1970-71 to 96.13 lakhs of tons upto 1985. The availability of the sugar in the year 1982-83 was highest to the tonne of 114.99 lakhs of tons.

The total available sugar excepting the year 1982-83 was found inadequate during the period from 1979-80 to 1984-85. And hence the import of sugar was effected to meet the home demand. Such import of the sugar has been increased from 1.63 lakhs of tons to 19.97 lakhs of tons during the above period.

The internal consumption of the sugar has been increased from 58.24 lakhs in 1970-71 to 80.64 lakhs in 1984-85. After meeting the home demand there has been practice to export the sugar such export of sugar was however of small size. The maximum export of sugar was to the extent of 9.50 lakhs of tons in 1975-76 and minimum was to the extent of 0.83 lakhs of tons in 1980-81.

It is thus seen that India needs substantial portion of produced sugar for the internal consumption.

3.1.4 OUTPUT OF SUGARCANE AND ITS UTILIZATION :

Under this headings the output of sugarcane and its utilization for the various purposes are studied. The following table gives the idea about the production of sugar cane and its utilisation for the various purposes.

TABLE 3: 4

SUGARCANE OUTPUT IN INDIA AND ITS UTILIZATION FOR
VARIOUS PURPOSES (1960-61 to 1981-82)

Y e a r :	Production : (in tonnes)	Percentage of sugarcane used to - : of sugarcane: Sugar :Seed, Feed : Production : Production: & Chewing :of Gur & : : : :Khandassari.
1960-61	1,10,001	28.20 12.50 59.40
1965-66	1,23,990	29.40 11.80 58.80
1970-71	1,26,368	30.20 12.00 57.80
1975-76	1,40,806	29.80 11.90 58.30
1979-80	1,25,990	30.50 11.80 57.70
1980-81	1,50,521	36.00 11.80 52.20
1981-82	1,80,000	36.00 11.10 52.90

Source : Commerce, December, 1981, Vol.No. 143

The above table shows the picture about production of sugarcane and its utilization. The total quantities of sugarcane production has been increased from 1,10,001 thousands of tons in 1960-61 to 1,80,000 thousands of tons in 1981-82. The sugarcane production experienced the steady increase. The sugarcane so produced is used for the production of sugar and production of Gur and Khandasari.

So also same portion of the sugarcane is used for seed, chewing, or for animal feeding. It is noticed that in almost all the

years under review, excepting the year 1978-79, more than 50% of the sugarcane has been used for the production of Gur or Khandsari.

**3.1.5 AREA UNDER SUGARCANE PRODUCTION AND NUMBER OF
SUGAR FACTORIES IN VARIOUS STATES**

Table No.4 shows that the number of factories and the area under sugarcane in most of the States, Uttar Pradesh and Maharashtra rank at the top both in respect of number of factories and area under sugarcane cultivation.

TABLE 3: 5

AREA UNDER SUGARCANE PRODUCTION AND NUMBER OF
SUGAR FACTORIES IN VARIOUS STATES.

(1960-61 and 1983-84)

State/Union : Territories.	<u>1960-61</u>		<u>1983-84</u>	
	Sugarcane 000 Hectors	Number of sugar factories	Area under sugarcane in 000 in Hectors	Number of Sugar factories
Andhra Pradesh	91	12	141	31
Assam	27	1	49	2
Bihar	185	28	128	28
Gujrath	26	2	103	12
Hariyana	-	-	134	5
Karnataka	72	8	183	24
Kerala	9	1	8	2
Madhya Pradesh	50	5	70	8
Maharashtra	155	27	294	78
Orissa	24	6	42	3
Punjab	269	2	84	8
Rajasthan	41	8	37	3
Tamilnadu	81	70	157	23
Uttar Pradesh	1324	70	1704	93
West Bengal	40	2	20	2
Goa	-	-	N.A.	1
Pondichery	-	1	2	2

3.1.6 NUMBER OF MEMBERS IN INDIA UNDER DIFFERENT CATEGORIES IN 1982-83.

Number of members in different categories in India are studied in this chapter. The idea of different members in different categories are given in the following table :

TABLE 3: 6

TABLE SHOWING NUMBER OF MEMBERS OF DIFFERENT CATEGORIES IN INDIA (1982-83)

.....		
Sr. : Categories of No. : members.	: Number of : member.	: Percentage of : Member to total
.....		
1. Grower member	13,55,321	92.36%
2. Non-grower member	75,182	5.12%
3. Co-op. Societies	18,352	1.25%
4. No.of Sugar Co-operative in which States Govt.has shares.	155	0.01%
5. Other members	18,422	1.26%
.....		
Total :-	14,67,432	100.00%
.....		

Source : National Federation of Co-operative
Sugar Factories Ltd. 1982-83.

From the above table it is clear that by the end of the year 1983, the total number of members to the tune of 14.67 lakhs and the members who are growers are 13,55,321 its percentage to are 92.36% etc.

The foregoing statistics and discussed information point out that the co-operative movement is playing a crucial role in the matter of the development of sugar industry.

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3:2 SUGAR INDUSTRIES IN MAHARASHTRA :

3.2.1 INTRODUCTION

Maharashtra is pioneer in co-operative sugar industry. The Co-operative sugar factories in Maharashtra have assumed an important as an successful agro-based industries which has unhered radical economic changes in the rural areas. Number of sugar factories have crossed century of these 84 are in production. They produce 34% sugar in the country. These factories manufactured 22.70 lakhs tone sugar valued at Rs. 1,13,500 during last year. The progress achieved by co-operative sugar factories in the State is given in the table below:-

TABLE 3: 7

TABLE SHOWING FACTORIES REGISTERED & ACTUAL
FACTORIES IN OPERATION

.....		
Y e a r	No.of factories registered	No.of factories
:	:	: in operation.
.....		
1981-84	78	67
1984-85	100	77
1985-86	100	79
1986-87	98	84
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Source : The Maharashtra Co-operative Quarterly -
April, 1988, Vol. No.4, Page 186.

3.2 2) GROWTH OF SUGAR CO-OPERATIVES IN MAHARASHTRA

The sugar co-operative have been the most dominating processing co-operative sugar industry in Maharashtra had ranked first in India in 1981-82. In Maharashtra there are 19 sick sugar factorries in January, 1986. In recent years there are 92 (1986-87) sugar factories taking production and co-operative sugar factories amounted to 85 and private seven sugar factories. At present in Maharashtra, there are 24 distillaries and 8 paper factories. Out of the total production in India Maharashtra occupies 35% sugar production.

First co-operative sugar factory was established in Maharashtra in Ahmednagar District known as Pravara Co-Operative Sugar Factory, from this period onwards a large number of co-operative sugar factories have been established in India, especially in Maharashtra. Now sugar factories have become a dominant aspect of agro industrial picture in Maharashtra.

The sugar factories have become the centres of socio-economic life of the rural people. The primary object of a processing society is to render mutual processing service and to obtain for the growers the margin that would accrue from selling the processed goods. The sugar factory also changed the environment wherever it has established schools, colleges, hospitals, gardens etc. The rapid increase in the Maharashtra State must be attributed to a number of favourable factors such as an agro-climatic condition, land

suitable for cultivation of sugarcane fertilizers, soil availability of irrigation facilities.

The management of co-operative factories are suffering from party politics, because the party in power is interested to have a hold on Board of Directors. Due to the change from year to year, who are employing their power for achieving their own selfish aims, the workers in the factories feel insecure on the management front also, it is generally accepted that there is a need and scope for improvement.

The table given below gives the idea of the districtwise growth of sugar factories in Maharashtra.

TABLE 3: 8

SHOWING THE NUMBER OF SUGAR FACTORIES IN
VARIOUS DISTRICTS OF MAHARASHTRA

District	Number of sugar factories
Ahmednagar	13
Nasik	6
Poona	6
Solapur	6
Kolhapur	11
Satara	6
Sangli	7
Dhule	4
Jalgaon	3
Beed	4
Nanded	2
Aurangabad	5
Parbhani	3
Buldhana	1
Jalna	2
Osmanabad	2
Latur	3
Yavatmal	1
Amraoti	1
Nagpur	1
Maharashtra Sector	87
Private Sector	7
Total:-	94

Source : 'Godwa' August, 1987.

TABLE: 3.9**SHOWING PRODUCTIONWISE RANKING OF SUGAR****FACTORIES IN MAHARASHTRA**

District	Production of Sugar (in bags.)	Ranks
Kolhapur	51,32,259	1
Ahmednagar	39,43,631	2
Satara	27,27,523	3
Sangli	23,24,937	4
Poona	27,33,667	5
Solapur	17,10,419	6
Nasik	14,75,616	7
Dhule	9,62,020	8
Jalgaon	5,81,637	9
Beed	5,19,441	10
Aurangabad	4,57,715	11
Parbhani	2,82,625	12
Osmanabad	2,20,740	13
Yeotmal	2,14,250	14
Latur	1,71,014	15
Nanded	1,62,790	16
Jalna	1,05,865	17
Buldhana	48,310	18
Amraoti	6,960	19
Nagpur	155	20
Total Production: 2,39,20,520		

Source : 'Godwa', August, 1987.

From the above table, it is clear that in Maharashtra, there is the highest production of sugar in middle Maharashtra, South Maharashtra, North & East Maharashtra etc. It means that the, Kolhapur, Ahmednagar, Satara, Sangli, Poona, Solapur and Nasik are the Districts in which the highest sugar production is seen. Therefore while giving the productionwise rankign they stands top than the other districts, the low production are in Jalana, Buldhana, Amraoti and Nagpur district hence they stand bottom of the table.

TABLE : 3:10TABLE SHOWING DISTRICTWISE CLASSIFICATION OF AVERAGERECOVERY (%) IN MAHARASHTRA

Classes of Average Recovery.	: District :	:Average Recovery : (%)
Below 10.00%	Beed	9.97
	Nanded	9.27
	Parbhani	9.94
	Buldhana	9.18
	Jalna	9.94
	Osmanabad	9.86
	Latur	9.03
	Amraoti	5.96
	Nagpur	3.10
10.00 to 10.50%	Aurangabad	10.02
	Jalgaon	10.16
	Molapur	10.21
10.50 to 11.00%	Dhule	10.67
	Poona	10.86
	Yeotmal	10.59
11.00 to 11.50%	Nasik	11.22
	Sangli	11.23
11.50% & Above	Ahmednagar	11.66
	Kolhapur	11.53
	Satara	11.57

Source : 'Godwa' August, 1987.

From the above table, it is seen that the Ahamadnagar district stands higher recovery rate i.e. 11.66% than the other district in Maharashtra. As against the low recovery rates are seen in Nagpur district i.e. 3.10% etc.

TABLE : 3:11

TABLE SHOWING THE CLASSIFICATION OF SUGAR FACTORIES
IN SOLAPUR DISTRICT DURING 1986-87

Sr. : Name of the town : : Name of the Factory		
No. : :		
1.	Malshiras Taluka Akluj.	Yeshwant Sahakari Sakhar Karkhana Ltd. Akluj.
2.	Sadashivnagar	Shankar Sahakari Sakhar Karkhana Ltd. Sadashivnagar.
3.	Pandharpur Taluka Gursale	Shri Vithal Sahakari Sakhar Karkhana Ltd. Venunagar, Gursale.
4.	Mohol Taluka Sikandar Takli	Bhima Sahakari Sakhar Karkhana, Ltd. Takali
5.	Barshi Taluka Vairag.	Bhogavati Sahakari Sakhar Karkhana Ltd. Vairag.
6.	South Solapur Kumthe.	Siddheshwar Sahakari Sakhar Karkhana Ltd. Kumthe.
7.	Shripur	Shripur Sugar Factory
8.	Malinagar	Malinagar Sugar Factory

TABLE : 3:12

TABLE SHOWING CRUSHING, SUGAR PRODUCTION AND IT'S RECOVERY RATE OF THE

VARIOUS FACTORIES IN SOLAPUR DISTRICT (UPTO 30-6-1988)

Name of the Factory.	: Crushing : : Capacity :	Sugarcane crushing : 1986-88 : 1987-88	Sugar production : in bags : 1986-87 : 1987-88	: Recovery Rate : in % : 1986-87 : 1987-88			
1. Bhima Sahakari Sakhar Karkhana	1250	1,76,281	2,78,110	1,66,670	2,60,050	9.44	9.33
2. Shankar Sahakari Sakhar Karkhana	1250	2,54,921	2,50,720	2,78,267	2,68,088	10.87	10.66
3. Bhogavati Sahakari Sakhar Karkhana.	1250	18,755	-	15,385	-	9.18	-
4. Siddheswar Sahakari Sakhar Karkhana.	1250	3,21,207	4,10,300	3,24,065	4,40,101	10.09	10.73
5. Shankar Sahakari Sakhar Karkhana.	3000	5,23,453	5,20,793	5,28,321	5,34,475	10.08	10.22
6. Vithal Sahakari Sakhar Karkhana.	2000	3,81,388	4,14,076	3,97,711	4,13,909	10.43	10.03

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