

A PROBLEMS AND PROSPECTS OF THE SUGAR INDUSTRIES IN MAHARASHTRA, INDIA.

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Abstract

India was the fourth major sugar producing country in the world. India has now emerged as the largest sugar producing country in the world with 22% share of the world's sugar production. Sugar Industry is the second largest agro based industry after textile industry in India. It ranks third largest industry in terms of its contribution to the net value added by manufacture and employs nearly 5 lakh workers, besides creating extensive indirect employment nearly 50 million farmers of sugarcane.

Key words- Sugar Industry, Problems, measures.

INTRODUCTION

Sugar industry in Maharashtra is one of the organized industries in rural area. This sector has made a massive impact on the agricultural life styles, outlook of agricultural development and the rural economy in Maharashtra. Sugar industry is depending on the production of sugarcane. Sugarcane economy has a more than hundred years of history in Maharashtra. It has changed the socio-economic and political ethos of the rural life. More than 7.5% of rural population in India is engaged in sugarcane cultivation, along with 50 million cane growers and 5 million women workers engaged in the industry. Sugar industry is mostly dependent on unorganized farm sector, almost known as cane harvesters and transport workers. These workers are migrating from drought zone of Maharashtra, particularly from Latur, Beed, Barshi and Parbhani districts of the state. Now days this industry have facing some problems. This research paper tries to determine the problem of sugar industry and find out the ways of developing this industry.

OBJECTIVES OF THE STUDY

The objectives of the study are as follows

- 1) To know about the problems those are activated in sugar industry.
- 2) To analyze the nature of problem and the impact of demand, supply & price fluctuations on sugar production.
- 3) To suggest the measures for solving the problems and to put forward recommendations for developing the sugar industry.

RESEARCH METHODOLOGY

This research paper is based on the secondary data which is furnished from the various Economic Survey of Maharashtra. Some reports published by the Maharashtra State Co-Operative Sugar Factories Federation Ltd., National Federation of Cooperative Sugar Factories Limited and various websites related to sugar industries.

Problems of Sugar Industries:

The main problems of sugar industries are as follows:

Low Yield of Sugarcane: The raw material of sugar industry is sugarcane. The cultivation of sugarcane is depending upon the monsoons which are uneven and uncertain. Because of monsoons the produce of sugarcane is not obtained up to the expectations. Also, the irrigation facilities which are not sufficiently available in certain places also create the problem of low yield of sugarcane.

Short Crushing Season: The crushing season will be approximately between 4 months 7 months, only in this duration the farmers get the work to do. After the crushing season the financial position will become weak will leads the farmers to think about the other employment opportunities which give food throughout the year.

Fluctuating Production Trends: The production trends may not be constant because of fluctuating demand and supply. The demand for other agriculture produces may raise such as rice, wheat, cotton etc. hence the farmers produce those produces which gives more economic return to them rather than only sugar especially in low demand situations.

High Cost of Production: The cost of production of sugar is high, because of high cost of sugarcane, out date technologies; costly production process used and excise duty. The excise duty and other taxes also increase the cost of production. Because of which many sugar Industries are heavily suffering from losses.

Problem of Price:

Today, the price of cane is more than the price of sugar and this has never happened before. The impact of the price crash will ultimately be felt by sugarcane farmers. As mills run into losses, payment to farmers will be delayed. Then, cane planting will go down and crop patterns will change. As a result, farmers will be forced to shift to other crops, causing shortage of sugar.

Fluctuation in SMP for Sugarcane: The Government is frequently increasing the statutory minimum price for sugarcane. It is frequently increasing from time to time and it is one of big problem faced by sugar Industries. They say that the SMP should be reduced so that the cost of production can be managed.

Small and Economic Size of Mills: The sugar industries which are working in India are majorly small and medium scale industries. The capital of these industries is insufficient to the demand of technological process. The updated technologies are costly and able to produce more sugar and reduce the cost of production. But because of less capital intensive of small and medium sugar industries are not able to meet these current demands of the market.

Old machineries are in use: The machineries used by sugar mills are old and obsolete. These machines are old and obsolete. These machines consume high chemicals, electricity, fuel etc. and produce fewer units. The quality, color, shape, size which are given by these machines is also dis satisfactory.

Regional Imbalances: The sugar industries are situated more in Maharashtra, Uttar Pradesh, Karnataka and Bihar. So, the development of these areas is done quite easily but there are certain places such as Orissa, Jammu and Kashmir where no sugar industries are situated. Hence there is a regional imbalance in distribution of sugar industries.

Low per Capita Consumption: The per capita consumption of sugar is low as compare to the world average per capita consumption. It may be because of khandsari and Gur which are nearly competing in the Indian market. These are the problems of sugar industries in India.

Measures for solving the problems of Sugar Industry:

1. To accept and apply of all new things during cultivation of sugarcane.
2. Sugar factories must take care of sugarcane growers by providing materials and information required.
3. Sugar industry have to increase profitability, cost of production should be reduced and to increase the productivity per unit.
4. Sugar industries have to go through new research, innovations, technological interventions and mechanisms to increase the productivity.
5. The Government should initiate to improve the sugar cultivation where cane yield and sugar need to be improved substantially.
6. The central as well as state Government should provide the monetary and non- monetary support to the sugar industries in this regard.
7. The release of sugar for domestic market as well as export is governed by monthly release quotas of the mills.
8. Sugar industry must be privatized so that the productivity should be increased and cost of production should be decreased by using updated technologies.

CONCLUSION

Sugar industries are playing a major role as far as rural economy is concerned in Maharashtra. Agriculture is the backbone of Indian economy and sugar industry is very important sector but this sector has some problems. Policy for sugar industry is playing slight role in all over country. Therefore, the role of government and sugar industrialists has to take initiative to tackle the problems in front of the sugar industry.

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