

## TRENDS AND PATTERN OF SUGAR INDUSTRY IN HARYANA: A RETROSPECT

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### ABSTRACT

Haryana, the land of agriculture and culture, appeared on the political map of India being a separate State on 1<sup>st</sup> November, 1966 as a result of reorganization of Punjab State. At that point of time there were only 7 districts in the State namely Ambala, Karnal, Rohtak, Gurgaon, Mohendragarh, Hisar and Jind. According to the Economic Survey (2010-11)<sup>5</sup>, 'By now, for administrative reasons the whole State has been divided into four divisions (Ambala, Hisar, Rohtak and Gurgaon), 54 sub-divisions, 21 districts, 74 tehsils, 44 sub-tehsils, 119 development blocks, 106 towns and 6955 inhabited villages. Haryana is spread over an area of 44,212 square kilometers with a population of 210,82,989 as on 31<sup>st</sup> March, 2001'. Haryana is located in the northwest part of the country and the climate is arid to semi-arid with average rainfall of 455 mm. Around 70 percent rainfall is received during the month from July to September and the remaining rainfall is received during Dec. to Feb. The National Capital Territory of Delhi juts into Haryana. The State is bounded by Uttar Pradesh and Delhi in the East, Punjab in the West, Himachal Pradesh in the North and Rajasthan in the South.

Haryana has made tremendous progress in all spheres and emerged as one of the most progressive States in India in last 45 years of existence. Its achievements in the field of agriculture, industrial development, tourism and education have been remarkable. With just 1.37 percent of the total geographical area and less than two percent of the country's population, Haryana today is one of the leading States in India.

A statistical report by Department of Agriculture<sup>6</sup> clears that 'The total geographical area of the State is 44.21 Lacs hectares (hect.), which is 1.4 percent of the geographical area of the country. The cultivated area is 38.09 Lacs Hect., which is 86 percent of the geographical area of the State out of which 35.94 Lacs hect. that is 96.2 percent is under cultivation. Here total number of farm holdings are 15.28 Lacs out of which marginal farmers have 7.04 Lacs, small farmers have 2.94 Lacs and remaining others have 5.30 Lacs farm holdings. Total land occupied by farmers is 35.49 Lacs hectares, out of which marginal farmers have 3.17 Lacs hect. (9 percent), small farmers have 4.22 Lacs hect. (12 percent) and the remaining others farmers have 28.11 Lacs hect. (79 percent). The gross cropped area in Haryana is 64.58 Lacs hectares and net cropped area is 3.62 M. Hect. with a crop intensity of 179.69 percent'.

Economy of Haryana, in fact, has agrarian base. Earlier it was considered as food deficit State but now its annual food grain production has gone more than 15 Million tones and it is one of the largest contributors to the food grain pool of the Central Government. Cotton, sugarcane, oilseeds are its main commercial crops which have paved the way for the establishment of a number of agro based industries (ABIs).

### AGRICULTURE IN HARYANA: AT A GLANCE

Agriculture was accorded high priority right since inception of the Haryana State. Concerted efforts were made by the Government in creating basic infrastructure for all round development of the State. State made remarkable progress in the field of agriculture production and it has emerged as the grain bowl of the country. Food grains production touched an impressive figure of 147.63 Lacs tones in the year 2006-07 which was 25.92 Lacs tones in 1966-67, registering a more than fivefold increase.

Agriculture is the mainstay of more than 65 percent population in Haryana with contribution of 26.4 percent in GDP of the State. The quantum of food grain production, which was nearly 25.92 Lacs tones at the time of inception of the State, was likely to touch 155.08 Lacs tonnes in 2008-09 due to crop intensification and increase in production of principal crops. Rice, wheat, jowar, bajra, maize, barley and pulses, sugarcane, cotton, oilseeds and potato are the major crops of the State. Under the diversification of crops, more and more area is being brought under cash crops like sugarcane, cotton and oilseeds, vegetable and fruits. Sustainable agriculture is being promoted through the propagation of resource conserving technologies and organic farming. Dhaincha and Moong have also been encouraged to maintain soil fertility.

## **BRIEF HISTORY OF SUGAR INDUSTRY IN HARYANA**

After emerging as a separate State, Haryana made tremendous progress on all fronts. This is particularly true about ABI's including cotton, rice and sugar industry. Before 1966, there were only three sugar mills in the State, one in private sector (Yamunanagar, in 1933) and the other two in co-operative sector (Rohtak, in 1956 and Panipat, in 1956).

In Haryana before 1933-34, the whole sugarcane production was either utilized for 'Gur' making or for manufacturing 'Desi Khandsari' with the indigenous process. It was in early thirties that some private entrepreneurs established one sugar factory namely 'The Saraswati Sugar Mills Ltd.' at Yamunanagar. The factory had its maiden crushed in 1933 and had crushing capacity of only 400 tons per day. But now-a-days, it has become one of the biggest sugar factories in the country with its present crushing capacity of 13000 TCD in 2010-11. Later in the year 1956, two more sugar factories were set up in the State namely 'The Haryana Co-operative Sugar Mills Ltd., Rohtak' and 'The Panipat Co-operative Sugar Mills Ltd., Panipat'. At that time sugarcane production was just 150 thousand tones which increased up to 501 thousand tones in 1985-86 and 7.14 Lacs Quintals in the year 2009-10. Number of sugar mills also increased up to 15 in total. In 2010-11 there are total 15 sugar mills, out of which 11 sugar mills are operating in co-operative sector and the remaining four are in private sector. There is no public sector sugar mill in the State of Haryana.

## **DESCRIPTION OF ALL SUGAR MILLS IN HARYANA**

Yet there are total 11 co-operative sugar mills running in Haryana. But the study is confined to ten sugar mills only because Assandh mill is running from last two years only. so it left for any analysis. Their brief description is must before to precede their economic aspects.

### **LIST OF IMPORTANT CO-OPERATIVE SUGAR MILLS**

The Panipat Co-operative Sugar Mills Ltd., Panipat

The Panipat sugar mill was registered under the Punjab Co-operative Societies Act, 1954 on December, 1955. The mill placed an order for the complete sugar plant of 1250 TCD (Tones Crushed per Day) with M/s SKODA India Ltd., in February, 1956. The mill started its trail crushing on 21 March, 1957 with a total investment of ` 107 Lacs. The plant was subsequently expanded to 1400 TCD in 1960 and again in 1975-76 to 1800 TCD. The mill made profits up to the year 1976-77, after which, leaving aside marginal profits in 1989-90, the plant has been consistently generating losses and these losses increased up to ` 68.01 Crores as on 31<sup>st</sup> March, 2001. Due to the recurring losses the mill, hardly any funds could be spared for further capital investment in plant and in machinery. In fact, as all the funds had to be prioritized towards payment of sugarcane dues, working capital interest and salaries of workers, only the most essential repairs and maintenance was undertaken. This further led to the decline in the productivity of the plant due to non-investment. The mill has their own distillery plant and which is helpful to remove their financial crisis. Yet the mill got 2<sup>nd</sup> prize in sugarcane development field in the year of 2010-11.

### **THE HARYANA CO-OPERATIVE SUGAR MILLS LTD., ROHTAK**

Rohtak district, being the foremost in sugarcane cultivation, prompted the State Government to set up a sugar factory at Rohtak and it got registered under the Punjab Co-operative Societies Act, 1912. An area of about 100 acres was acquired in 1954 by the State Government at a cost of ` 72 thousand. The plant with a crushing capacity of 1000 tones TCD and having double carbonation and double sulphitation manufacturing process was purchased from M/s. A.F. Craig 7 Co. Ltd., Paisley (U.K.) in 1955. The mill started its maiden trial crush on January 1, 1957 with an initial cost of ` 1.5 Crores. This capacity was increased to 1250 Metric tons in 1967-68 at a cost of ` 16 Lacs and up to 1750 Metric tons TCD in 1978-78 at an approximate cost of ` one crore. The mill is running now with 3500 TCD in 2010-11.

### **THE KARNAL CO-OPERATIVE SUGAR MILLS LTD., KARNAL**

The Karnal co-operative sugar mill was established in 1976 with licensed capacity of 1250 TCD. The mill uses double carbonation and double sulphitation process. The plant was expanded to 2500 TCD in the year 1994-95. The mill is running now with 2200 TCD and the mill got 1<sup>st</sup> prize in overall performance in the year 2010-11.

### **THE SONEPAT CO-OPERATIVE SUGAR MILLS LTD., SONEPAT**

The Sonapat sugar mill established in 1977 and is situated on the out skirts of Sonapat town. It is a modern sugar mill having the crushing capacity of 1250 TCD. It has double carbonation and double sulphitation process techniques. The mill is spread over the area of 125 acres and also has an agriculture farm of 25 acres. The mill has a large sugarcane area about 7154 acres.

### **THE SHAHABAD CO-OPERATIVE SUGAR MILLS LTD., SHAHABAD (M.)**

The Shahabad sugar mill is situated in Shahabad-Ladwa road at a distance of 3 Kms. from National highway that is Delhi-Chandigarh road towards Ladwa. The mill registered as Co-operative Society on 09/01/1976 and started its commercial production on 06/02/1985 with 1250 TCD. It was expanded to 3500 TCD with investment of ` 33 crores and the plant started on 07/11/1995. The area of the mill is in radius of 32 Kms.; it spreads 16 Kms. towards Yamunanagar and 25 Kms. in other directions. The mill purchases 60 percent sugarcane directly from the sugarcane growers of Radaur and Mustfabad. The mill established 27 sugarcane purchasing centers in its reserved area. The mill has 8 sugar godowns for the storage of its sugar production having the storage capacity of 5.60 Lacs of sugar bags. The mill is running now with 5000 TCD in the year 2010-11.

Bagasse based Co-generation Plant (A CDM Project) having total generation capacity of 24 M.W. has been installed by this sugar mill and the mill started export of power to HVPN from the start of crushing season of 2009-10. The Government has sanctioned the establishment of Distillery in the mill premises.

The Shahabad sugar mill has been praise-worthy right from the inception and the mill has set unique standards/records at National level. The mill got Efficiency award in 1988-89 and in 1989-90; Sugarcane development award in 1988-89, 1991-92 and 2005-06; Technical efficiency award in 1994-95, 2006-07; Best co-operative sugar factory award in 2003-04, 2007-08 and 2008-09; 1<sup>st</sup> prize in Financial Management in 2003-04; 2<sup>nd</sup> prize for sugarcane development in 2003-04; 1<sup>st</sup> prize for Best co-operative mill in 2004-05 2<sup>nd</sup> Best co-operative sugar factory award in 2009-10.

### **THE JIND CO-OPERATIVE SUGAR MILLS LTD., JIND**

A Co-operative society was registered under Punjab Co-operative Society Act, 1961 on 01/08/1980 with the objective of manufacturing white sugar out of sugarcane supplied by its growers. Regular license was issued on 31/12/1981 for a new sugar factory of 1250 TCD to produce commercial white crystal sugar through double sulphitation process. The plant was commissioned on 16<sup>th</sup> February, 1985 and 34522 Qtls. of sugarcane was crushed. The mill is situated in an area of 123 acres on Jind-Narwana road at a distance of 5 K.M. from Jind town. Out of which 112 acres is near Jhanj Khurd village and 11 acres is near Ahirka village.

### **THE PALWAL CO-OPERATIVE SUGAR MILLS LTD., PALWAL**

The Palwal sugar mill is situated in Palwal. The factory got registered on 08/02/1985 with 1250 TCD. The mill is spread over 160 acres. The area of operation is spread over 32 Kms. The mill has 24 sugarcane purchase centers. Its project cost is ` 960.00 Lacs. There are 789 employees working in mill which is next to Meham sugar mill.

### **THE MEHAM CO-OPERATIVE SUGAR MILLS LTD., MEHAM**

The Meham sugar mill is situated in Meham. The factory got registered on 09/10/1987 with 2500 TCD and started crushing on 04/04/1991. The mill is spread over 209 acre, 5 kanal and 6 marla. The area of operation is spread over 24 Kms. and the mill has 7 sugarcane purchase centers. There are 841 employees working in mill which is next to Shahabad mill having 885 employees.

### **THE KAITHAL CO-OPERATIVE SUGAR MILLS LTD., KAITHAL**

The Kaithal sugar mill is situated in Kaithal. The factory got registered on 03/06/1970 with 2500 TCD but its date of commissioning was 02/04/1991. The projected cost of the mill was estimated to ` 2994.32 Lacs. The mill is spread over 148.60 acres and its coverage area is 32 Kms. The mill has only one purchase center and 13 sugar selling agents.

**CH. DEVI LAL CO-OPERATIVE SUGAR MILLS LTD., AHULANA, GOHANA (SONEPAT)**

The mill is assigned by CDLSM in the sugar directories. It lies in low recovery zone. It started the commercial production of sugar on 17/02/2002 with 2500 TCD. Gohana mill is about 6 K.M. away from its nearby railway station and it is about 100 K.M. away from Delhi. The surrounding atmosphere of the mill is quite calm and peaceful. The mill is spread over 81 acres and its coverage area is 28 Kms. The mill is running satisfactorily but not achieved any award in any field till 2010.

**CH. DEVI LAL CO-OPERATIVE SUGAR MILLS LTD., SIRSA (PANNIWALA MOTA)**

The mill started with 1750 TCD in Sirsa and its date of commissioning was 02/01/2002, but due to non-availability of sugarcane the mill closed soon. The machinery was shifted to Assandh sugar mill and it started working in the year 2008-09 with 2500 TCD.

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