

## **Sugar Industry**

### **Sugar industry in Pakistan**

- What IS SUGAR?
  - • Sugar is a vital ingredient in most of our daily consumption articles. For example: Soft drinks, juices, tea, biscuits, sweets, bakery items, deserts, pharmaceutical industry, etc.
- Introduction
  - The Sugar industry in Pakistan is the Second
  - largest agro based industry after Textiles
  - Pakistan is an important cane producing
  - country and is ranked fifth in world cane
  - acreage and 15th in sugar production
  - Its share in value added of agriculture and GDP are 3.4 percent and 0.7 percent, respectively. The sugar sector constitutes 4.2 per cent of manufacturing. The Sugar industry employs over 1.5 million people, including management experts, technologists, engineers, financial experts, skilled, semiskilled and unskilled workers.
- HISTORY
  - At the time of independence in 1947, there were only two sugar factories in Pakistan. The output of these factories was not sufficient for meeting the domestic requirements. The country started to import sugar from other countries and huge foreign exchange was spent on this item. The first sugar mill was established at Tando Muhammad Khan in Sindh province in the year 1961. During the year 1997-1998 there were 75 sugar mills.
  - In the country and it produces 2.4 million metric tons sugar
  - In 2009 /10 Sugar cane is grown on over a million hectares and provides the raw material for Pakistan's 81 sugar mills. Sugarcane is an important industrial and cash crop in Pakistan & it produces numerous valuable by products like, alcohol used by pharmaceutical industry, ethanol used as a fuel, bagasse used for paper and fuel.
- NO. OF MILLS 81 CONTRIBUTION TO ECONOMY SHARE IN GDP : 0.7%  
EMPLOYMENT : 1.5MILLION TOTAL INVESTMENT : PKR 100 BILLION  
AVERAGE YIELD PER HECTOR 46.8 TONNES TOTAL CANE PRODUCTION 45.0-

55.0 MILLION TONNES CANE AVAILABLE 30-43 MILLION TONNES PER CAPITA  
CONSUMPTION 25.8 KGS CRASHING CAPACITY 6.1 MILLION TONNES  
CONTRIBUTION TO EXCHEQUER RS.12.16 BILLIONS

▪ Manufacturing Process

- :
- Sampling.
- Cleaning.
- Slicing.
- Diffusion.
- Purification.
- Evaporation.
- Crystallization.

▪ Production

- MY 2008/09, sugarcane production is estimated at 51.5 MMT, a decrease of 19 percent over the previous year due to both a reduction in area harvested and yield.
- Pakistan's MY 2009/10 sugar production is forecast at 3.65 million tonnes up about three per cent from the current year estimate of 3.56 million tonnes, according to the USDA Foreign Agricultural Service.

▪ CONSUMPTION

- MY 2008/09 sugar consumption is forecast at 4.2 MMT due to population increase and enhanced industrial use.
- MY 2009/10 sugar consumption is forecast at 4.35 MMT. Total per capita refined sugar consumption is estimated at 25 kilograms, based on improved domestic supply and strong demand. imports at 730,000 tonnes.

▪ Production Policy

- The Government of Pakistan (GOP) is striving to achieve self-sufficiency and sustainability in sugar production by ensuring the availability of inputs and establishing a sugarcane support price which is acceptable to all stakeholders. The sugar industry is looking for value added by-products, as well as reducing costs and promoting cultivation of high sucrose cane. For MY 2009/10 the state Government of

the Punjab has enhanced the cane purchase price by 25 percent over the previous year making it Rs.100 per 40 Kg (\$31.25 per MT).

- Sugarcane Area & Production By Province
- Indicative Prices of sugarcane by province
- Monthly Average Retail Prices Of Sugar
- By-Product Of Sugar Cane
  - Bagasse:
    - It is produced in the mill house in a quantity of about 30% of the crushed cane.
    - The bagasse contains 50% moisture It is used as a fuel for boilers (processing stage). Bagasse is also used for chip-board and paper manufacture.
  - Molasses:
    - Molasses is a common ingredient in baking, often used in baked goods such as ginger bread cookies.
    - 80% of total available molasses is exported
  - Ethanol:
    - The Pakistan sugar sector has the capacity to produce over 2.5 million metric tons (MMT) of molasses available for processing into ethanol.
    - Pakistan's sugar industry produces more than half a million tons of ethanol per annum from cane molasses, over 50 per cent of which is exported at an average price of about \$500/MT. Main destinations include: Europe, Far Eastern (Korea, Japan, Taiwan and the Philippines) and Middle East (Dubai and Saudi Arabia).
- Conclusion
  - Sugar industry has a potential to achieve heights in Pakistan if major steps are taken into consideration in this regard.